

The NATIONAL UNDERWRITER



Just one obstacle often
stands in the way of signing
up that BIG ACCOUNT



*We have helped other brokers
surmount it. Perhaps we can
help you.*



STEWART, SMITH & Co., INC.

116 JOHN STREET, NEW YORK 38, N. Y.

The Brokers' Broker

THURSDAY, JUNE 7, 1956



Extra Value
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Making Imagination Safe

Disneyland, the happiest place on earth, is also the safest. Millions of happy patrons from throughout the U. S. and the world have visited this magic kingdom where the wonders of the future, the pioneer atmosphere of the past, the land of fantasy and adventure, all combine to make one's visit an unforgettable experience.

Indemnity Insurance Company of North America's safety and accident prevention experts worked with Mr. Disney's staff long before Disneyland became a reality and continue to work with them today, so that this magic kingdom is as free from hazards as the visitor's own home.

Safety is only one of the extra values North America Companies agents have at their command when seeking or holding business. Others are vast capacity, underwriting experience, technical competence, world-wide service facilities, that make North America the leader.

These extra values and their application to specific risks are currently being brought to the public's attention in a series of advertisements in business publications. You can give your key risks these extra values if you represent North America and if you merchandise the services North America, plus your own office, can give.

See the full story on Disneyland in the May issue of 'The North America Fieldman'



NORTH AMERICA
COMPANIES

Insurance Company of North America
Indemnity Insurance Company of North America
Philadelphia Fire and Marine Insurance Company
Philadelphia

Protect what you have®

The NATIONAL UNDERWRITER

The National Weekly Newspaper of Fire and Casualty Insurance

60th Year, No. 23
June 7, 1956

Leading Casualty Insurers Analyzed in New Argus Chart

Premiums Up But Results on Underwriting Not as Good as in 1954

A tabulation of 188 of the companies included in the new 1956 *Argus Casualty & Surety Chart* that has just been published by the National Underwriter Company shows net premiums written of \$6,888,483,649 as compared with \$6,298,027,266 for 195 companies a year ago. The companies selected and included in this tabulation each have \$5 million or more of net casualty premiums written and total approximately 93% of the total business of the 663 companies included in the *Argus Chart*. The 188 companies include 130 stock companies, 45 mutuals, and 13 reciprocals and Lloyds.

The 188 companies have assets of \$15,741,787,680 and policyholders' surplus of \$5,193,041,162. The increase in surplus of \$632,775,690 is one-third lower than for 1954 and reflects a lower gain from underwriting.

Net premiums written by the 130 stock companies totalled \$5,067,500,641, a 10.4% gain from 1954 and premiums earned were \$4,905,646,039. Losses incurred including adjustment expenses incurred were \$2,927,104,789 for a loss ratio of 59.7% as compared with a 57.6 ratio in 1954. Expenses incurred were \$1,808,267,199 for an expense ratio of 35.7%, up .5% from last year. These two ratios combine to give a ratio of 95.4 for a gain from underwriting of \$170,274,051 compared with a gain of \$269,884,078 in 1954. Most companies concentrating in the automobile field would have had less satisfactory results because on that class of business the loss ratio went from 57.9% in 1954 to 63.5% at the end of 1955. These are the results for the stock companies whose premiums earned in 1955 on automobile business were \$2,022,663,000, an increase of 4.3% over the previous year.

On individual accident and sickness the stock companies' premiums earned increased from \$126,511,000 to \$132,635,000 and the loss ratio increased from 44.0 to 46.3. Group accident and sickness premiums increased from \$242,604,000 to \$284,326,000 and the loss ratio went from 79.1% at the end of 1954 to 82.2% for 1955. The experience on some of the other major casualty lines was somewhat better with the loss ratio on burglary dropping from 46.9 to 41.4 on \$90,120,000 premiums earned; on fidelity, with premiums earned of \$69,102,000, the loss ratio at the end of 1955 was 39.5 compared with 45.9 for 1954. The liability other than auto bodily injury premiums earned for 1955 gained \$24,366,000 to reach \$356,614,000 with a loss ratio of 55.7 as compared with 56.6 in 1954. Surety and workmen's compensation both have increased loss ratios with

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Examination Report on Pacific Board Ordered "Filed"

A report covering the examination of the Pacific Board by the California department for the period Jan. 1, 1948-Dec. 31, 1952, has been ordered officially filed according to Peyton Alversen, president of the Board and coast manager of Northern of London.

In effect, Mr. Alversen said, the ordering of official filing of the report indicates that in the eyes of the insurance department, the public interest has been well served and that the questions raised by the examiners will not be further considered by the insurance department at this time.

The primary question raised by the examination was whether the Board was appropriately acting within the scope of its authority as an advisory organization to Pacific Fire Rating Bureau and other rate-making organizations. "Commissioner McConnell's action clarifies the fact that the board may properly make recommendations to rating bureaus within its territory," Mr. Alversen added.

As to some items in the report, a letter dated May 24, 1956, from Mr. McConnell said: "... a majority of the matters referred to in the 'summary' are procedural matters or are more in the nature of comments than specifications of any violation of law or omissions of any duty imposed by law.

"As to the several items which were discussed as 'law violations,' I have concluded that none of them involve moral turpitude or any injury to the public interest. Our examiners felt that there were items properly classified

Ky. Court Suspends Thurman's Order on Audit of Homeowners

Judge W. B. Ardery of Franklin county circuit court has temporarily suspended Commissioner Thurman's order requiring a 6-month audit of all homeowners policies by Kentucky Inspection Bureau beginning June 1. He issued the temporary injunction pending a hearing on two suits asking a review of the commissioner's order.

The petitions contend that the commissioner does not have the authority to delegate regulation of insurance companies to a private organization such as Kentucky Inspection Bureau.

One suit was filed by the North America companies and another by Empiro and American.

as violations of law. On the other hand your attorneys have advised you that none of the matters referred to constitute violations of law. It would serve no constructive purpose—on the contrary could only be injurious to the existing fine public relations of the insurance industry—to create formal issues for litigation over these matters.

"I am confident that as a result of the correspondence, the several opinions of counsel and the sincere expressions of a desire to conform to all requirements of the law and to cooperate with this department so that it may properly perform its duties, the public interest has been well served.

"You will realize, of course, that all of these matters will be re-appraised and reconsidered at the next examination of the board."

States to Join in Appeal of American Hospital Decision

Knowlton Resolution Defines Course of Action for NAIC

The filing of amicus curiae briefs supporting the American Hospital & Life of San Antonio in its appeal against the decision of federal trade commission was decided upon by National Assn. of Insurance Commissioners at St. Louis as the most appropriate action the states could take at this time to counteract the FTC assumption of jurisdiction over all insurance advertising. A resolution to this end was presented by Commissioner Knowlton of New Hampshire and adopted at the final executive session. This course of action, deemed the best of three possible choices, disposed of the most pressing issue involving state regulation the commissioners have had to handle since the SEUA decision. While taking the route of appeal through the courts, NAIC is keeping in its hip pocket the idea of going direct to Congress for an amendment to the McCarran act which would clarify without question the status of state regulation.

The most surprising development at the convention was the election of J. Byron Saunders, casualty commissioner and chairman of the Texas board of commissioners as chairman of the executive committee. He received 17 of the 41 votes cast, beating out Thomas Pansing of Nebraska and Thomas Gillooly of West Virginia. Until about a month ago, Mr. Saunders had hardly been mentioned as a possible candidate, and most of the momentum for his election took place during the meeting. Mr. Saunders' election is referred to by his supporters as a vote of confidence for Texas insurance and the new laws enacted there. It is also indirectly a repudiation of some of the dealings NAIC has had with the FTC. There have been elements within NAIC who have disagreed all along with the idea of cooperating with FTC, and the decision in the American Hospital & Life case, they feel, vindicates their opposition and that decision had the effect of putting Mr. Pansing on the spot. His organizing ability, the results he achieved in having an advertising code and interpretation for A&S insurance written and approved within a year were unquestioned, but there are more commissioners than ever who want no part of the cooperative approach to FTC.

Robert Taylor of Oregon was elected president, succeeding C. Lawrence Leggett of Missouri, and Joseph A. Navarre of Michigan moved up to vice-president. George A. Bowles of Virginia was reelected secretary-treasurer for his seventh term. Less than eight hours after the convention adjourned, Mr. Bowles died in a Rich-

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Late News Bulletins...

Harrington Candidate for Mass. Senate

C. F. J. Harrington, former Massachusetts commissioner, is seeking the democratic nomination to the state senate in the Middlesex district. He was insurance commissioner for 13 years and was active in Democratic politics for many years. Since 1950 he has been executive vice-president of National Assn. of Casualty & Surety Agents.

Hearings on Federal Atom Indemnity

WASHINGTON—The joint committee on atomic energy will hold hearings June 13-14 on Sen. Anderson's bill for a government indemnity program for atomic power plants and the bill introduced by Rep. Cole for atomic energy commission. Charles J. Haugh of Travelers is expected to testify for insurance.

Ga. Agents Elect West, Dykes, Meriwether

C. Robert West of St. Simons was elected president of Georgia Assn. of Insurance Agents at its annual convention in Savannah to succeed J. O. Hatch of Savannah. The association also elected Wyndell C. Dykes of Cochran and C. A. Meriwether of Atlanta vice-presidents. Harry M. Carter of Savannah was reelected state national director. John S. Bell of Atlanta is general counsel and William N. Day is executive secretary.

The convention adopted a resolution condemning free accident insurance with purchases of automobiles and the giving by certain food store chains of trading stamps in return for information concerning their customer insurance.

State Sen. E. Girdean Harper, a local agent of Griffin, received the Edgar Dunlap award, given annually to the member of the association best serving his community in fields outside insurance.

Brundick Succeeds Vanston as President Of Managing GAs

HOUSTON—F. W. Brundick of Jacksonville, Fla., was elected president of American Assn. of Managing General Agents at the group's annual convention here. He succeeds Barney Vanston of Dallas.

Other new officers are Robert M. Campbell of Birmingham, 1st vice-president; F. M. Regan of Sioux Falls, S.D., 2nd vice-president, and Herbert C. Stebbins of Denver, secretary-treasurer.

Executive committee members are: G. T. Brannon of Durham, N.C., chairman, and Mr. Vanston, Carl Homer of San Francisco, and Jules Simoneaux of New Orleans.

Mr. Vanston, in his annual report, announced that annual meetings would be held at Miami in 1957 and at Colorado Springs in 1958. He outlined the services and purposes of managing general agents and urged a public relations program which will better acquaint the companies and the public with the services rendered by the managing general agent. He also spoke of cooperation with the National Bureau of Fire Underwriters to acquaint the public with the service of the managing general agent, the broker, and the fire prevention work, emphasizing the fact that the insuring public pays the cost of insurance.

Kenneth Ross, president of National Assn. of Insurance Agents, discussed common problems of the agent and the managing general agent and as-

sured the audience that the statement made by a past-president of the national association that managing general agents will pass from the insurance scene—is not the thinking of the national association. "Managing general agents," he said, "are an integral part of insurance service." He praised the work of insurance associations in supporting state supervision of insurance and urged cooperation among all insurance groups to eliminate federal intervention.

"What Foreign Risks Mean to the American Agency System," was explained by E. A. G. Manton, president of American International Underwriters. He said government economic aid is tapering off in war devastated countries as these countries are able to meet their own financial problems. American interests, in these countries, he said, have grown through investment in developing oil fields and other industries. "American activities in other countries create insurance needs not provided by the U.S. government," he said.

Mr. Manton reviewed the many types of coverage needed by Americans in foreign countries and suggested that the general agent is in a good position to place coverage on the hazards of the tourist, the contractor and the individual traveler.

J. Byron Saunders, chairman of the Texas board of commissioners, discussed insurance in the state and pointed out that all applications for licensing of companies had been processed as of May 31.

Owen E. Barker, president of Appleton & Cox, spoke on "Marine Insurance and the Managing General

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VA. AGENTS ANNUAL

Will Get Insurer Aid on Compulsory or Quit Opposing

OLD POINT COMFORT—Automobile insurers operating in the state were asked by Virginia Assn. of Insurance Agents at its annual convention here to propose a solution to the problem of the financially irresponsible motorist and to make recommendations to Virginia advisory legislative



Giles M. Robertson



Edwin J. Morgan

council. The council was directed by the 1956 legislature to study ways of protecting insured motorists from damages caused by uninsured drivers. That report is due Sept. 1.

More than 400 attended the convention. The 1957 meeting will be held at Roanoke and the 1958 convention at Virginia Beach.

Giles M. Robertson of Richmond was elected president to succeed Edwin J. Morgan of Hampton, who was named a director at large. C. M. Flint-

off of Suffolk was elected vice-president, G. T. McMurrin of Newport News, secretary-treasurer, and J. V. Arthur of Winchester, state national director, reelected.

District directors elected are Richard Beale of Bowling Green, John Cahill of Norfolk, William R. Walker of Richmond, W. W. Cato of Petersburg, R. E. Burke III of Lynchburg, R. C. Stephenson of Roanoke, W. A. Rinehart III of Charlottesville, Henry Downing of Front Royal, Jay Litts of Norton, and Hugh Coiner of Arlington. Charles W. Crowder was renamed executive secretary, and T. Nelson Parker of Richmond general counsel.

At the banquet the Local Board Cup awarded by Bernard P. Carter, Richmond general agent, was presented to Northern Virginia Association, the Past Presidents Award for the greatest service by an individual to Ray M. Paul of Richmond, the Maryland Casualty Committee Plaque to the legislative committee of which Mr. Paul is chairman, and the Stock Fire Insurance Field Club award to Mrs. Francis C. Brooks of Norfolk. A certificate of service was presented to Mr. Morgan.

At each session of the legislature for the past 10 years bills have been introduced to protect the insured against the uninsured driver, Mr. Morgan said in his administration report. These have ranged from compulsory to the recent unsatisfied judgment fund proposal. A special session is possible this fall, he said, and he believes that some form of legislation will be proposed on the uninsured motorist subject. Agents are convinced that it will be enacted into law in some form.

NEED CASUALTY REINSURANCE HELP?

AMERICA'S OLDEST REINSURANCE GROUP HAS AN EXPERIENCED CASUALTY STAFF TO SURVEY YOUR NEEDS AND RECOMMEND AN UP-TO-DATE PROGRAM FOR YOUR COMPANY

THE
SKANDIA
INSURANCE COMPANY

THE
PRUDENTIAL
INSURANCE COMPANY
OF GREAT BRITAIN

THE
HUDSON
INSURANCE COMPANY

J. A. MUNRO

90 JOHN STREET, NEW YORK 38, N. Y. • WHitehall 3-9484

Five Experts Discuss Insurance Problems of Atomic Age at Indiana CPCU Forum

INDIANAPOLIS—More than 250 agents, buyers and company officials from as far away as California, Massachusetts and New York attended the atomic risks forum sponsored by Indiana CPCU chapter. They heard five experts discuss the insurance problems of the atomic age as they affect the operator of an atomic reactor and also the average risk which may suffer contamination losses.

The speakers were Reuel Stratton, assistant superintendent of Travelers; William Satterfield, insurance manager of atomic energy commission; Ambrose B. Kelly, general counsel of the Factory Mutuals; James M. Crawford, vice-president of Indemnity of North America, and Claude M. Rice, insurance manager of Babcock & Wilcox Co., New York manufacturers of generating equipment for atomic installations. Gayle E. Richardson, Indiana manager for General of Seattle and president of the Indiana CPCU chapter, and Dr. Harry J. Loman, dean of American Institute opened the forum with greetings and introductions.

Mr. Stratton, who in the early days of extreme security in atomic research was the only man in the insurance industry who had access to all atomic installations, was the lead-off speaker. He discussed the problems of the reactor operator, the potentialities of loss and emphasized that the chances of a serious explosion are "essentially nil." Even so, Mr. Stratton said, the estimates of potential damage by contamination brought out at recent congressional hearings were "too conservative." The damage potential estimated at the hearings was 50 to 60 persons killed and \$200 million in property damage.

Mr. Satterfield traced the history of the development of atomic energy in relation to the insurance industry from the time before the first bomb was exploded to the most recent congressional hearings. He particularly emphasized the period following passage of the atomic energy act of 1954, which set the framework for the development of a private atomic energy industry. Throughout his talk, Mr. Satterfield stressed that the position of the AEC was favorable to the expansion of private insurance in the field of atomic risks. He praised the formation of "three syndicates" for insuring of atomic risks and called the "providing of such very substantial amounts of insurance in this new field in less than a year's time a magnificent feat on the part of the insurance industry."

"The AEC hoped that this would complete the picture and that there would be no unsolved insurance problems," he said. "From the point of view of the reactor industry, however, the greatest concern was the fear that a catastrophic accident might give rise to liability for damage to persons or property beyond the amount of liability insurance available from these syndicates." Mr. Satterfield pointed out that the possibility of such a catastrophe is extremely unlikely. "This feeling exists in the industry, however, even though AEC in more than 12 years of reactor operation has safely operated 25 nuclear reactors in AEC facilities for a total of 606,686 hours, involving 17,799,000 man-hours with no accidents sufficiently serious to contaminate off-site property or cause lost-time of personnel."

Mr. Kelly, a leader in the development of the mutual atomic energy pool, wound up the morning session. He divided fire insurance problems of the atomic age into the following categories: 1.) Insurance on nuclear reactors and other atomic installations; 2.) Exposure to damage of ordinary risks as the result of radioactive contamination.

tion.

He feels that the stock and mutual pools could combine their capacity to provide coverage for any reactor, regardless of size. The major problem, in the reactor and atomic installation field, according to Mr. Kelly, is one of rates. "Since the ability of private industry to move forward in the nuclear field depends on the ability of nuclear power to compete economically with that produced by other means, and, since insurance cost is one of the elements which must be considered in

determining the cost of operation of a nuclear plant, the solution to the rating problem will affect the final decision of private utilities planning nuclear power plants."

Mr. Kelly pointed out that the use of radioactive isotopes by private industry grows from day to day. "Isotopes are in use in more than 1,200 of the risks insured by the Factory Mutuals, but we feel that in the normal case it does not substantially change

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Ma'm to Man talk... nets \$126,000 line!

field memo

AG-EMPIRE
Watertown, N. Y.

Dear Folks,

Here's a worthwhile tip to agents from Lena Asendorf on "how to enjoy a worry-free vacation this year."

"Being in a one-girl office," says Lena, "makes it hard to get someone for summer vacation replacement who has Insurance knowledge. So in our case, when vacation time rolls around, we simply get a girl in to answer the 'phone, and leave the telephone numbers of each of our special agents with her."

"Here's an example of how nicely this arrangement works out. On Aug. 13th, 1954, something important came up. The girl called "Ag-Empire" State agent Ray Wiley, telling him a builder wanted coverage on seven one-family dwellings."

"Mr. Wiley was snowed under with Hurricane losses, but he immediately called the builder for the necessary information, then sent out a binder covering fire and extended coverage on the buildings. Result: thanks to Mr. Wiley, who is always ready to assist us no matter how busy he is, we gained a nice line in the amount of \$126,000—just by leaving his telephone number with our girl."

The "Ag-Empire" Man

THE AG-EMPIRE MAN

P.S. Here's proof again that "Ag-Empire" fieldmen are really on the ball, able and willing to assist agents at all times—even when it comes to "pinch-hitting" for agents on vacation! Agent-fieldman teamwork really pays—both ways. Ray Wiley has recently been promoted to Agency superintendent in the home office.

Like to learn more about how Ag-Empire works with and for agents? We're easy to write to.

Agricultural
Insurance Company,
of Watertown, N.Y.

Friendly
Folks

Empire State
Insurance Company,
of Watertown, N.Y.

AD AWARD WINNER

Ag-Empire Agents' Ad Idea Contest. Based on a true story by Lena Asendorf, DeBragga & Pirone Co., Ridgewood, Long Island, N. Y.

Munro Group Expands Facilities for the Handling of Casualty Reinsurance

Many insurers over the country that are not in the casualty business seriously are considering entry into that field or already have made plans to do so, according to J. A. Munro of Prudential-Skandia-Hudson companies which have completed their first year in the casualty reinsurance field. Primary companies face several problems when expanding into casualty, perhaps the chief of which is the industry-wide shortage of top flight



J. A. Munro

several problems when expanding into casualty, perhaps the chief of which is the industry-wide shortage of top flight



W. B. Morpeth

casualty personnel because of the rapid expansion in the casualty business in recent years.

In launching its own casualty operations, the Munro group recognized the need of underwriting and other talent and has expanded its staff in this



C. M. Pond

respect. Its interest in casualty is a permanent one, and it has the facilities, the financial strength, and the experience of Prudential of Great Britain, Skandia, and Hudson, the oldest professional reinsurance group in the U.S., with more than \$15 million in policyholders' surplus. One indication of how serious it is about being in and staying in the casualty reinsurance field is its commitment to a substantial amount of third party nuclear energy liability.

Mr. Munro, president of Prudential and Hudson and U. S. manager of Skandia, is a veteran reinsurance executive. For many years he was associated with American Foreign Insurance Association and Royal-Liverpool and his experience in multiple line production and underwriting is world wide.

William R. Morpeth Jr., secretary of the companies, is administrative head of the casualty division. A graduate of Wharton school, he started with Fidelity & Casualty in 1938. After navy service, in 1946 he went into eastern Pennsylvania as casualty field man for Royal-Liverpool. In 1949 he became assistant agency secretary in the eastern executive department of Royal-Liverpool with administrative duties for branch office and general agency operations. After a period with the John A. Eckert & Co. brokerage firm in New York he joined the Munro group.

Charles M. Pond started in 1934 with Travelers. Later he was casualty underwriting manager of Maryland Casualty at Newark. After army service

he went with Royal-Liverpool underwriting countrywide risks.

The Munro group is handling casualty reinsurance for all types of insurers, including those already in the casualty business. However, one of the interesting developments in these times is the movement to multiple line position, and here the peculiarities of casualty problems have come into fresh and frequent focus.

In surveying these problems for primary insurers, the Munro group has found that the basic concerns of insurers starting in the casualty field are personnel, what classes to start with, how much volume to write, how fast to expand, what limits to retain, what rates to charge, and what territories to enter first.

The difficulty of getting competent personnel is, of course, a key one, especially in underwriting and claims, but once that is surmounted, the company has to decide by what lines it is going to enter the field. Personal liability and automobile are the two handiest and most pressing routes because of (1) the leaping volume of package policies being written which contain the CPL, and (2) the number and distribution of automobile risks.

Another early decision is whether to write the casualty business at bureau rates or off-tariff, and—an important matter at any time but especially so now with mounting loss ratios—in what territories to begin.

Most of the primary companies seriously considering entry into the casualty field are in a good surplus position to take on additional business. Many of these companies do not by any means write as much business as their surplus warrants. However, each of them does require careful study in order to plan the amount of expansion and its pace so that undue or unnecessary strain is not imposed on the company's financial structure and position. For instance, when a company writes new business it pays the commission out of surplus. Consequently the rate of growth must be considered in relation to size of surplus. Also, how high limits should the company retain, how much cede? Proper handling of these matters can mean the difference between comfortable and uncomfortable working arrangements.

If a company does have a fairly tight surplus position and wants to add casualty volume rapidly, it will need quota share accommodations in addition to excess capacity, to moderate a sharp rise in unearned premium reserves and, later, in statutory loss reserves.

Getting into casualty in these times is a serious undertaking. The pattern of casualty differs from that of fire; for example, loss settlements are subject to a substantially longer time lag and therefore are more subject to the influence of inflation.

Good reinsurance facilities and personnel are of course designed exactly to be helpful under these circumstances, with underwriting consultation and the kind of financial assistance that enables some companies to undertake new business at all, some to assume it rapidly at times when it is available and offers a reasonable chance for profit, and others to handle new volume more smoothly and with better underwriting results.

Chicago Adjusters Set Golf Date
Casualty Adjusters Assn. of Chicago will hold its annual golf outing at St. Andrews country club, June 13.

Southern General to Buy Progressive Fire

Rutherford L. Ellis, president of Southern General of Atlanta, said his company has made an offer to purchase controlling interest in the common stock of Progressive Fire of Atlanta.

Simultaneously, Walter B. Elcock Jr., president of Progressive Fire, stated that the move was being made in order to allow Progressive Fire to enlarge its underwriting facilities. Mr. Elcock said his company would continue to operate as a separate unit but would take advantage of the additional facilities of Southern General.

Mr. Ellis said combining the companies would make them one of the largest fire and casualty insurance organizations domiciled in the southeast.

Mr. Ellis also said Southern General was negotiating for the controlling interest of another southern company which, if acquired, would become a member of the Atlanta group.

North America Fire Reductions in Tex.

Among the classes on which North America has reduced fire rates in Texas are apartments, dwellings, auto courts and tourist cabins including incidental garages and outbuildings; churches and chapels; farm and ranch property including livestock; utilities such as electric generating stations, water works, pumping stations, filtration and sewerage plants, and disposal plants.

Also, fireproof and semi-fireproof buildings except those sprinklered; hospitals, nurses homes, convalescent homes, sanitariums, doctors' offices and clinics except those qualifying as public properties; hotels; mercantile buildings but not contents; theaters and auditoriums; public and private educational institutions including libraries, museums, and auxiliary units on the premises; sprinklered risks (buildings) except those rated as special hazard and manufacturing and specially rated public housing risks.

Michigan Assn. Protests Unlicensed Carriers

Michigan Assn. of Insurance agents has filed a protest with Commissioner Navarre relative to an Illinois agency's attempts to place block type coverage on Ben Franklin stores in Michigan with an unlicensed carrier.

The association is also advising members to check aviation patrons relative to offering Lloyds of London coverage through Aero Club of Michigan. It noted that "identical coverage is available through several licensed markets of independent agents at a lesser cost."

Reed Discusses Recent California Decisions

Attorney Fred O. Reed spoke on "Problems of Overlapping Coverages" before the Casualty Insurance Adjusters Assn. of Southern California at Los Angeles. He cited several cases which established the rule for application of primary and excess policies and mentioned that in all instances both policies should be carefully examined. Mr. Reed said a recent California supreme court decision "junked" all previous decisions and made careful examination of all cases a necessity.

Atlanta Casualty Men Elect

Atlanta Casualty Underwriters Assn. has elected James M. Burgess of Parham General Agency president, Edward R. Cannon of Manufacturers Casualty vice-president, and J. Edward Willis of Royal-Liverpool group secretary.

SUBURBAN CASUALTY COMPANY

(In its 32nd year under same management)



HOME OFFICE, WHEATON, ILLINOIS

A "Multiple Line" Company Writing:

- | | | |
|---------------------|-------------------|---------------------------|
| 1. Automobile | 4. Residence Lia. | 7. Comprehensive Dwelling |
| 2. Garage Liability | 5. Fire Lines | 8. Personal Floater |
| 3. Plate Glass | 6. Home Owners | 9. Tenants Form |

We shall be glad to hear from agents desiring a "better than average" Home Office Connection.

Glendening Puts Glass on Items of Expense for EUA

In this price conscious era the tendency of insured is to question their contribution to the insurance business expense of operation, John Glendening, vice-president of Home, said in his presidential address at the midyear meeting of Eastern Underwriters Assn. at Whiteface, N. Y. The expense of company-supported service and statistical organizations is only a small part of the total, he said, but since some competitors do not share in all such expenses, the association companies should seek to lessen this disadvantage, with regard to the worth of each organization and without sacrificing quality.

The meeting was attended by approximately 150 members and guests and featured several forums on prob-



John Glendening



J. R. Robinson



L. M. Michel

lems of current concern to the business. The forums were led by B. C. Vtt, president of American; Harry W. Miller, general U. S. attorney of Commercial Union group; Robert S. Garvie, vice-president of Aetna Fire; Walter L. Falk, assistant U. S. manager of Royal-Liverpool, and Albert C. Knox, vice-president of Phoenix-Connecticut.

Condensed committee reports were presented by A. L. Polley, vice-president of Hartford Fire, for the executive committee of which he is chairman; L. M. Michel, vice-president of Fire Association, for the rating methods research committee; John R. Robinson, president of Phoenix of N. Y., for the conference committee, and David W. Florence, assistant U. S. manager of Commercial Union, for the public relations committee.

The executive committee stressed the importance of underwriting inspection reports on sprinklered risks including the processing of impairments in sprinkler protection, the sealing of valves and the prompt and effective handling of recommendations to minimize fire hazards to life and property. It also reported the adoption of the new format of page 1 of the commissioners' standard fire insurance policy designed to streamline the mechanical operations of policywriting. This change, as recommended by National Board, will be on an optional basis.

Mr. Florence outlined the progress of cooperative public relations between field clubs and state associations of agents and local boards. The program currently is operating in Pennsylvania and Connecticut.

Mr. Michel revealed that studies are being made in developing standardized forms for attachment to fire policies to replace the variety currently used in the seven rating organization territories. The program seeks economy of central printing and uniformity that will be helpful to underwriters and adjusters. Also, he said, studies are being made of the optional use of the coinsurance principle on dwelling building properties.

The public generally thinks underwriting profits are large and certain,

Mr. Glendening noted. It is difficult to prove otherwise when annual statements register such material gains in book assets and surplus. This is due to investment profits which, to say the least, are fickle.

The fact remains, he declared, that the underwriting end of the business is not sharing commensurately the vast increases in volume and profits being acknowledged by other businesses. On the other hand, insurance has shared in the general increase in the cost of doing business—without

the prerogative possessed by most other businesses of promptly passing the higher expense along to the consumer. The public should more thoroughly understand that this business cannot increase rates without the approval of insurance departments. But assuming no statutory limitations, EUA companies still would hesitate to raise rates because of competitors "whose sole advantage is a claimed lower expense ratio. We all know our underwriting profit, if any, even in these

(CONTINUED ON PAGE 34)

MAN AT PEACE

SMART MAN! Knows how to relax and stay happy. Puts his worries about safeguarding his security in the hands of his local, independent insurance agent or broker.

He knows his insurance man is a professional at protection—licensed by the state after study and training—equipped to handle all matters of insurance with care and competence.

He knows too, that if he faces a financial loss from a fire, accident, liability claim or any of a multitude of mishaps, he'll get fast personal service, sound advice and the friendly help he needs.

For the name of a nearby America Fore Agent call Western Union by number and ask for Operator 28.

- * The Continental Insurance Company
- * Niagara Fire Insurance Company

- * Fidelity-Phoenix Fire Insurance Company
- * The Fidelity and Casualty Company of New York

America Fore's advertisements continue to spotlight the importance of the independent agent and broker. This one appears currently in:

★ THE SATURDAY EVENING POST ★ LIFE ★ FORTUNE

★ READER'S DIGEST ★ TIME ★ NEWSWEEK

★ NATIONAL GEOGRAPHIC

Peterson, Travelers' V-P, Is Retiring

George E. Peterson, vice-president of Travelers and Travelers Indemnity in charge of casualty underwriting, has retired. Mr. Peterson has been with the organization since 1911 when he started as an inspector in the engineering and loss control division.

He was in the field for a time and then went to the home office where in 1921, he became assistant superintendent of the engineering and loss

control divisions. In 1933 he went into the underwriting department and supervised casualty underwriting in New York until 1931 when he returned to the home office.

He became assistant secretary of the compensation and liability department in 1936 and secretary in 1940. He was elected a vice-president in 1948.

He is a member of the executive committee of National Bureau of Casualty Underwriters, a director of National Automobile Underwriters Assn., a member of the executive board of Assn. of Casualty & Surety Compan-

ies, and on the advisory council of U. S. Aircraft Insurance group.

Norwich Union Sets Up Multiple Peril Unit

Norwich Union has appointed Gerald L. Thielemann manager of the new multiple peril division of the fire department at the head office in New York. L. E. Murdoch, special agent in western New York, takes over the eastern New York territory previously handled by Mr. Thielemann, who will assume his new duties June 15.

New Rider Covers Mortgage Agents

Surety Assn. of America has brought out, effective June 6, a rider that protects financial institutions in connection with agents who handle mortgage loans for such institutions.

The rider is for use with the discovery forms of blanket bonds available to savings and loan associations and commercial banks. These are forms 5, 22, and 24.

This is a new approach to bankers servicing contractors coverage. A more restrictive form of this coverage was introduced in 1954 to provide coverage for savings banks in their mortgage loan operations. A servicing contractor is any servicer of real estate mortgage or home modernization loans made by the lending institution, or a manager of real property owned by or under the supervision or control of the lender.

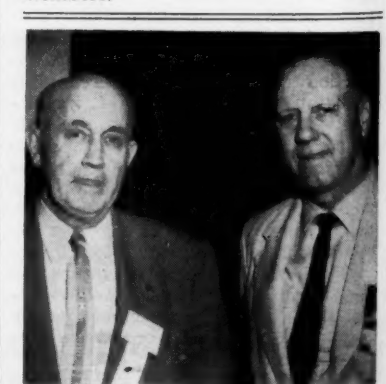
Because other financial institutions were engaging in identical mortgage operations Surety Assn. met with joint committees of commercial and savings banks organizations as well as representatives of the savings and loan field. A separate blanket bond was not regarded favorably by most financial institutions. They wanted this coverage as a part of their basic blanket bond.

With the wider application of this servicing coverage, the original rating procedure has been adjusted to produce substantially lower premiums with the expectation that underwriters will be able to develop a wider spread on the class of business. Savings banks and savings and loan associations will also be able to continue to purchase an optional rider to cover agency relationships exclusive of those covered by the servicing contractors rider.

A revised procedure now will provide discounts on the premium for savings and loan associations blanket bond coverage based upon a schedule of basic units of coverage depending upon the size of the association, rather than as previously only on amount of coverage purchased. This new rating procedure follows the pattern established in 1954 for excess on commercial banks.

Chicago Chapter Tours Northbrook Plant

Chicago chapter of Society of Fire Protection Engineers will conduct a field trip to the Northbrook plant of Underwriters' Laboratories Inc. on June 12. Special tests will be conducted at the plant for the interest of the members.



Commissioner Oliver P. Bennett of Iowa with S. E. Orebaugh, his deputy, photographed by Harry Fuller of the National Bureau at the NAIC meeting in St. Louis.



1906 • 1956

Golden Anniversary

WHEN important milestones of maturity are reached, it is traditional to appraise the past and project plans for the future.

As we of the Old Colony celebrate our Golden Anniversary, we take pride in our record of growth, in our ability to meet the ever changing needs of the insuring public, and in our progressive policy as champions of the American Agency System.

Old Colony looks forward with confidence to its second half century secure in the knowledge its past has built a firm foundation of public respect and trust.

OLD COLONY INSURANCE COMPANY

A MEMBER OF THE BOSTON INSURANCE GROUP

87 KILBY STREET

BOSTON 2, MASS.



Faneuil Hall



Craigie-Longfellow House



House of Seven Gables



John Adams House



Paul Revere House



Old State House

Program Ready for N. C. Mutual Agents

The annual convention of the North Carolina Assn. of Mutual Insurance Agents will be held June 28-30 at Mayview Manor in Blowing Rock. An attendance of 375 is anticipated. Earl F. Penny of Hendersonville, president of the association, will preside.

Top feature of the convention will be a panel on package policies with Robert B. Woodson of Raleigh; W. H. Rodda, secretary of Transportation Insurance Rating Bureau, Chicago; Keith W. Skillin, agency supervisor of Lumber Mutual of Boston; J. Don Randolph, manager of Zachary general agency of Greenville, S. C.; Paul H. Dubuc of Shelby Mutual, and Herb Kephart, assistant secretary of Central Mutual.

H. Pierce North of Columbia, S. C., manager of John Ratterree & Co., will moderate a question and answer forum on bureau activity. Participants will include W. S. Bizzell, manager of North Carolina Fire Insurance Rating Bureau, and W. F. Laughlin, general manager of North Carolina Compensation Rating & Inspection Bureau.

Other speakers include Earl Lamb of New York, president of the National Assn. of Mutual Insurance Agents; Commissioner Gold; Julian E. Parker, wage-hour representative of the U. S. Department of Labor; and W. D. Holoman, chief counsel for the employment security commission of North Carolina.

Nominated as new officers are L. M. Buchanan of Greenville president, Joe L. Norton of Charlotte vice-president, R. B. Woodson of Raleigh secretary-treasurer, Craig Watson of Gastonia, William McSwain of Winston-Salem and Wheeler Manning of Williamston directors.

N.J. Probers Seek Auto Racket Indictments

Camden county (N.J.) prosecutor's office, with help from investigators of Assn. of Casualty & Surety Companies, is preparing evidence to obtain grand jury indictments against 30 persons and repair garage owners involved in an alleged auto accident racket in Camden.

Prosecutor Cohen of Camden county estimated that 20 insurance companies have been defrauded of more than \$100,000 in the past three years. He said the repair shops buy wrecked cars, register them and obtain collision insurance. After a time the owner reports an accident, files a claim and collects. Through re-registration, the same car, in many cases, has been used in as many as five different claims.

North America Opens L. I. Service Branch

North America has opened a new Long Island service office at 160 North Franklin street, Hempstead, with D. Edwin Misner manager of the operations of North America and Philadelphia F.&M., and Laurence Thompson manager of Indemnity of North America.

The one-story modern brick building provides more than 9,000 square feet of office space and off-street parking facilities.

Attending the opening were Bradford Smith Jr., Richard G. Osgood and Thomas E. Walton, vice-presidents, Joseph W. Huggins, assistant vice-president, Francis A. Lewis and Arthur T. Moyer, secretaries, and Richard E. Freeman, assistant secretary, of North America.

Also Herbert P. Stellwagen, executive vice-president, James M. Craw-

ford, R. S. Robbins, Roy H. Stitt and Charles A. Sanford, vice-presidents, Robert S. Gillespie, assistant vice-president, Richard E. Miller, assistant secretary, and Norman Holzer, agency superintendent, of Indemnity of North America.

Myers to Appleton & Cox

William E. Myers has joined Appleton & Cox in San Francisco. He was formerly secretary-superintendent of the inland marine department of Commercial Union-Ocean group and had been with the company 29 years.

Fred S. James Names Jens Vice-President

Arthur M. Jens Jr. has been named vice-president of Fred S. James & Co. of Chicago. He was secretary and assistant treasurer of Trans-World Airlines before joining James & Co. in 1947.

Russell Bleakley Sr. and Leo C. Havley were also named vice-presidents and directors and Russell Bleakley Jr. was named an assistant vice-president. The action formally completes the

merger of Creth & Sullivan of Philadelphia with the James firm.

Warren T. Stewart and G. E. Nichols, both of New York, were also named vice-presidents of James & Co.

N. C. University Eyes Compulsory

North Carolina university may require 5/10/1 bodily injury and property damage liability insurance for all students and faculty operating cars on the school's three campuses. Trustees are considering the compulsory measure and will make recommendations at the 1957 annual meeting.



PORTRAIT OF PROGRESS



The great Suspension Bridge connecting New York and Brooklyn which was completed just a few months after the founding of Chubb & Son, really ushered in the modern era of bridge building. An era that has seen the spanning of our largest rivers—one in which Chubb & Son has played an active part in originating and developing construction bonds and other types of insurance to meet the changing requirements of the nation's great road building and construction industries. The best proof of the flexibility and scope of our facilities lies in our solution of your own immediate problems. Our 74 years' experience is your assurance of getting the maximum on every construction bond dollar expended. We invite you to share this experience.



CHUBB & SON, Underwriters

90 John Street, New York 38, New York

Managers

FEDERAL INSURANCE COMPANY • VIGILANT INSURANCE COMPANY
THE MARINE INSURANCE CO., LTD. • THE SEA INSURANCE CO., LTD.
LONDON ASSURANCE (MARINE DEPT.) • ALLIANCE ASSURANCE CO., LTD.

Ocean and Inland Marine • Transportation • Fire and Automobile • Casualty • Surety • Fidelity
Aviation Insurance through Associated Aviation Underwriters



Eyes right

There YOU are

in **The Saturday Evening**
POST

This is your life—this is the story of *you*, an insurance agent—as told *for you* by The Employers' Group Insurance Companies, in the June 9 issue of The Saturday Evening Post.

Your importance to the buyer of insurance is powerfully presented in this advertisement—one of a series of hard hitting *full pages* on insurance and insurance agents that will appear over The Employers' Group signature in 1956.

As one of the leading insurance companies operating under the agency system of selling, The Employers' Group has stepped up its advertising as one means of providing still greater support to you in your efforts to maintain and to improve, if possible, your position in the scheme of things.



"Let me tell you something about him"

Jim: There's a right guy!

Mac: That so . . . what did he ever do for you?

Jim: Well, you see he's my insurance agent, and —

Mac: Insurance! Man, I've had my troubles with that lately. Suffered a loss a while ago and I've been going through the darndest hassle trying to get my claim settled. More red tape and letter writing — it's taking all my time, and no result yet.

Jim: Handling it yourself?

Mac: Yeah, that's right.

Jim: Uh huh, well, you're evidently not getting the SERVICE that I got when we had a fire in the house we lived in on Henry Street.

Mac: How's that?

Jim: I called my friend there. He came over right away . . . notified the company he represents about our loss, and everything was squared away in no time.

Mac: Say, that's all right.

Jim: You bet it is. You see, I know from experience that it pays to do business through this fellow. As an agent who is an independent businessman here in town, he's all for you!

Mac: I can see that. I didn't know what to do — or how to do it.

Jim: Incidentally, my insurance agent is known as "The Man With The Plan", because he writes all of my insurance through that well known outfit, The Employers' Group Insurance Companies. He plans my

whole insurance program, so that I'm not over or under insured — handles all the many details, watches renewals. His service is really terrific. I'd be lost without him.

Mac: It figures at that. My insurance is getting so involved it's over my head, for the most part.

Jim: An independent agent will make it simple and easy for you . . . like my man. He's switched some of mine to "package policies". It's a new deal and a mighty good one.

Mac: Is that right — what did you say his name was?

Write to: The Employers' Group Insurance Companies, 110 Milk Street, Boston 7, Massachusetts and learn the name of "The Man With The Plan" in your community.

THE Employers' Group INSURANCE COMPANIES

110 MILK STREET, BOSTON 7, MASSACHUSETTS

THE EMPLOYERS' LIABILITY ASSURANCE CORP. LTD. • THE EMPLOYERS' FIRE INSURANCE CO. • AMERICAN EMPLOYERS' INSURANCE CO. • THE HALIFAX INSURANCE CO. OF MASS.

This advertisement appears as a full page in *The Saturday Evening Post*, June 9

*The Man
with the Plan*

London Takes Risk Japanese Market Could Not Handle

The London market is always a good source for an interesting and sometimes really amazing anecdote about insurance. Among its underwriters who provide coverage anywhere in the world, and who traditionally want to spread their risks as broadly as possible, surprising kinds of risks in surprising places are almost a commonplace.

A recent example, only a few weeks ago, is the case of the Japanese salmon fishing mother ship, the Kyokusan Maru, 9,678 tons, for which the owners wanted war risk insurance. Every one of the 19 Japanese insurers had turned it down unless their government would accept reinsurance, which the Japanese government refused to do.

Their problem lay in the fact that the Soviet Union had imposed drastic restrictions on Japanese fishing in Russian waters near the Aleutian islands. The Kyokusan Maru might, even inadvertently, find itself exceeding the

catch limitations set by the Russians, or inside prohibited areas in waters not too well defined as to ownership, and in either case the result might be disastrous.

After all the Japanese companies handling marine insurance had turned it down, after the Japanese government itself had refused to accept responsibility for it—underwriters at London Lloyds looked it over and wrote the entire risk of \$1,875,000 on a 200 to 1 basis, or a modest premium of only .5%.

The London brokers who placed the risk were Stewart, Smith & Co., Ltd., affiliates of Stewart, Smith & Co., Inc., 116 John street, New York.

O'Hanlon Makes Three Promotions in East

O'Hanlon Reports has promoted W. L. Roventini, from the staff of the New York sales department to sales supervisor. Also J. V. DeCheser, manager at East Orange, has been named supervisor of the northern New Jersey area and S. J. Murray, assistant manager at East Orange, has been appointed manager there.

Agent Must Be More Than Order Taker to Beat Competition

Whether the agency system will continue to play its leading role in insurance marketing depends on the acceptance by the public of the concept that the agent is a competent, unbiased adviser on insurance, not just an order taker, Kenneth Black Jr., chairman of the insurance department of Georgia state college, Atlanta, told Georgia Assn. of Insurance Agents at its convention in Savannah.

As the insurance business becomes more complex, as well as competitive, the purchase of insurance is going to be more on the basis of competence and service and less on a friendship basis, went on.

In addition, the trend toward broader policies and policies covering multiple perils is raising the average premium per policy substantially. This means it will become economically feasible for direct writers and brokerage firms to go after risks which have traditionally been the sole province of the local agent. Support of association

activities as well as active participation in the educational programs available are important aspects of the agents' effort to meet competition and provide professional service to clients.

Education alone is not enough. It takes education plus experience. A grounding in fundamentals simply makes a given amount of experience more meaningful and more productive in that it enables an individual to learn more quickly the techniques and procedures which are presented through company training courses and experience.

An agent can't possibly succeed unless he meets three standards, Mr. Black said. He must be thoroughly informed in order to meet the responsibility to his clients as well as to protect his business from competitors. As new coverages are introduced, he must be able to understand the implications of the change if he will keep his present business and continue to grow. He must be a good salesman. All the knowledge in the world is of little avail if the agent doesn't write any business. He must be a good business man. Many a fine salesman who is thoroughly competent has ended up in bankruptcy because he simply didn't know how to operate a business.

With the rapid introduction of new coverages and changes in old ones, the agent must keep up or lose out to competition. The best way to simplify this process is to have a thorough grounding in basic principles and concepts. This way each contract is not completely new, but rather a new application of basic principles and concepts.

Predicts More Bond Business on Housing

Paul Hessel, contracts chief of New York City housing authority, told Surety Assn. of America at a New York meeting that additional planned construction will bring the dollar total of the authority's program to nearly \$1.75 billion of prime contracts now completed or in process.

Almost all of that total has been or will be bonded with 100% performance and payment bonds, he commented. Contracts for maintenance of completed projects, which are bonded, run into millions of dollars each year and increases yearly as the program grows. He lauded surety companies as an indispensable part of the authority's program and said they hold to a minimum defaults, delays and laborer and subcontractor losses.

Rules Against Mass. Surcharge Refund

Massachusetts supreme court has ruled that it would be unconstitutional to force insurance companies to refund to automobile owners some \$430,000 in surcharges on 1956 compulsory premiums under the former \$6 point demerit rating plan.

Legislation is pending to force such refunds, but the demerit rating plan was discarded last February and no surcharges have been collected on policies taking effect after that. The court said that surcharges collected before the plan was abrogated were legal.

It is a proper legislative function to create new rights about to arise from future events, but it is not proper to create new substantive rights retrospectively, based wholly on past evils, the court said.

Enger, Barnett & Hurwith Moves

Enger, Barnett & Hurwith, Chicago metropolitan supervising agency, has moved to new offices at 2290 Board of Trade building. The agency is state manager for Plymouth Mutual Casualty, which will move its offices to the same location.

SEIBELS, BRUCE & COMPANY

COMPANY MANAGERS—INSURANCE AND REINSURANCE

P. O. BOX 1199, COLUMBIA, S. C.

SOUTH CAROLINA INSURANCE COMPANY

CONSOLIDATED AMERICAN INSURANCE COMPANY

COPENHAGEN REINSURANCE COMPANY, LTD.

Zurich Names Chalmers Assistant U. S. Manager

W. W. Chalmers has been named assistant U. S. manager and counsel in the claim department of Zurich. He joined the company as counsel at Chicago in 1944 and was transferred to New York in 1953 as counsel for the eastern department.

The company also named R. P. Richards manager and Dennis J. Scully assistant superintendent of underwriting in the eastern department. Mr. Richards joined the company in 1954 as assistant claim manager in the eastern department.

Program Set for CPCU Institute at Conn.

The theme of the eastern CPCU institute at University of Connecticut, Storrs, June 5-7, is how important foreign markets are to American insurance.

Speakers and their topics will be Derek A. Colls, director of Stewart, Smith & Co., London, insurance in Britain; Jacques V. Papon, controller general of Societe Nord Africaine de Reassurances, Paris, insurance in France; E. A. G. Manton, president of American International Underwriters, insurance in other foreign markets.

Also, Arne Fougner, president of Christiania General, experiences in foreign markets; Anthony Christian, director of Stewart, Smith & Co., New York, the American surplus lines broker; Alan S. Quail, chief underwriter of City General of London, underwriting and rating, direct business and reinsurance, first and third party covers; Charles J. Haugh, 2nd vice-president of Travelers, the American viewpoint; John A. Diemand Jr., vice-president of North America, the American viewpoint in reinsurance; R. Maynard Toelle, secretary of American Foreign Insurance Association, American and foreign overseas risks in American markets; Frazier S. Wilson, manager of the insurance division of United Airlines, the buyer's reaction; and George V. Whitford, vice-president of Fire Association, conclusions.

Abner Benisch, Newark local agent, is general chairman of the institute and will welcome the delegates; Lawrence J. Ackerman, dean of the school of business administration at University of Connecticut, will introduce the institute, and George J. Guess Jr., New York City local agent will outline the program.

Registration is restricted to CPCUs and may be made through William H. Hackett of American at 15 Washington street, Newark. The fee is \$75.

Central Mutual of Ohio Reinsures Minster Mutual

Superintendent Pryatel of Ohio has approved a reinsurance contract between Minster Mutual Fire and Central Mutual of Van Wert, whereby Central will assume all liabilities of Minster on July 1 in exchange for the company's assets.

Minster, which will discontinue business on June 30, cited higher operating costs as the major factor leading to its discontinuance. Minster was founded in 1849 and on Dec. 31, 1955, showed assets of \$158,838, surplus of \$25,230 and net premiums of \$111,626 for the year. It is licensed only in Ohio.

Nationwide Names 5 Sales Executives

Nationwide has named Maurice C. Kelly supervisor of life sales in the new personal insurance department.

R. Ivan Borrer was transferred from Philadelphia to Columbus as supervisor of casualty sales and Parker S. Morrow becomes supervisor of fire

sales in the property department.

The company also named Lee C. Foreman, Columbia S. C., recruiting and financing manager in sales management development and Harold J. Koebel management training manager in the same department.

Cleveland Board to Hear Douglass

Raymond W. Douglass, Ohio state agent for Agricultural, will speak on "Commercial Block and its Sales Opportunities" at the June 11 meeting of Insurance Board of Cleveland at the Manger hotel.

Michigan Casualty Bureau Elects Moore

Harold Moore, sales vice-president of Wolverine, was reelected president of Michigan Bureau of Casualty Companies at the annual meeting in Battle Creek.

Other officers are Earl Holling of Michigan Educational Employees Insurance Assn., vice-president; F. E. Baker of Employers Mutual Casualty, treasurer, and W. H. Munyon, renamed secretary-manager.

The bureau also named a committee to make a comprehensive study of the rate situation in Michigan.

Kennedy Speaks at Minneapolis

Charles Kennedy of Madison, Wis., spoke at the northwestern regional meeting of the National Assn. of Mutual Insurance Companies at Minneapolis. His topic was "Problems and Factors in meeting Coverage Needs of Today's Policyholders".

New Amsterdam Casualty has moved its Minneapolis office to 2110 Nicollet avenue.



"You and me, both!"

The only man in town you wouldn't dare do business without!

PROTECTION AGENT

NATIONAL OF HARTFORD GROUP
of Insurance Companies

"You can be an insurance agent... and, at the same time, a Protection Agent, like me."

"The difference is, I've found, that National advertising of the Protection Agent sells me to my insureds, builds up my prestige, opens more doors for me."

"If you want to sell insurance, as protection, talk it over with your National Field Man!"

NATIONAL OF HARTFORD GROUP
of Insurance Companies

Executive and Administrative Offices: Hartford 15, Connecticut

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD • TRANSCONTINENTAL INSURANCE COMPANY

FIRE • MARINE • AUTOMOBILE • CASUALTY • BONDING

THAR'S GOLD IN THEM THAR BOILERS!



PREMIUM GOLD for the agent. And you don't have to crawl inside boilers looking for it. We have 200 engineers, boiler and machinery specialists like the one in the "monkey-suit" above, who do that. All you need to do is to list your prospects and call your Royal-Liverpool Multiple-line fieldman who will be glad to arrange for premium quotations.

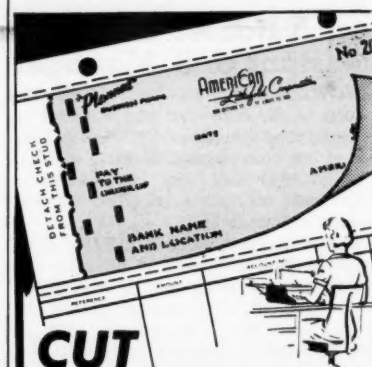
ROYAL • LIVERPOOL Insurance Group

CASUALTY • FIRE • MARINE • SURETY
150 WILLIAM ST., NEW YORK 38, N. Y.

ROYAL INSURANCE COMPANY, LTD. • THE LIVERPOOL & LONDON & GLOBE INSURANCE COMPANY LTD. • ROYAL INDemnITY COMPANY
GLOBE INDemnITY COMPANY • QUEEN INSURANCE COMPANY OF AMERICA • NEWARK INSURANCE COMPANY • STAR INSURANCE
COMPANY OF AMERICA • AMERICAN AND FOREIGN INSURANCE COMPANY • THE BRITISH & FOREIGN MARINE INSURANCE
COMPANY LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • VIRGINIA FIRE & MARINE INSURANCE COMPANY

Convention Dates

June 10-12, Maryland Assn. of Insurance Agents, midyear, Commander hotel, Ocean City.
June 10-12, Insurance Advertising Conference, annual, Skytop Lodge, Skytop, Pa.
June 11-13, South-Eastern Underwriters Assn., annual, The Homestead, Hot Springs, Va.
June 11-13, National Assn. of Mutual Insurance Agents, midyear, Claridge hotel, Atlantic City.
June 12-15, National Assn. of Insurance Women annual, Conrad Hilton hotel, Chicago.
June 13-16, International Assn. of A&H Underwriters, Miami Beach.
June 14-16, Mississippi Assn. of Insurance Agents, annual, Edgewater Gulf hotel, Edgewater Park.
June 17-19, New England Advisory Board of New England Assns. of Insurance Agents, summer meeting, Wentworth-by-the-Sea, New Castle, N. H.
June 21-22, Missouri Assn. of Mutual Insurance Agents annual, Hotel Chase, St. Louis.
June 27-July 1, National Assn. of Public Insurance Adjusters, annual, Kiamisha Lake, N. Y.
June 28-30, North Carolina Assn. of Mutual Insurance Agents, annual, Mayview Manor, Blowing Rock.
July 12-14, International Assn. of Insurance Counsel, annual, Greenbrier hotel, White Sulphur Springs, W. Va.
Aug. 8-10, Alaska Assn. of Insurance Agents, annual, Fairbanks.
Aug. 12-15, West Virginia Assn. of Insurance Agents, annual, Greenbrier hotel, White Sulphur Springs.
Aug. 20-21, South Dakota Assn. of Insurance Agents, annual, Cataract hotel, Sioux Falls.
Aug. 20-22, International Federation of Commercial Travelers, annual, The Greenbrier, White Sulphur Springs, W. Va.
Aug. 20-24, Honorable Order of Blue Goose, International, 50th Grand Nest, Milwaukee.
Aug. 22-24, Federation of Insurance Counsel, annual, Shamrock hotel, Houston.
Aug. 23-25, Texas Assn. of Mutual Insurance Agents, annual, Ft. Worth.
Aug. 30-Sept. 1, Montana Assn. of Insurance Agents, annual, Helena.
Sept. 5-7, Oregon Assn. of Insurance Agents, annual, Multnomah hotel, Portland.
Sept. 9-10, Vermont Assn. of Insurance Agents, annual, Middlebury Inn, Middlebury.
Sept. 9-11, Washington Assn. of Insurance Agents annual, Davenport hotel, Spokane.
Sept. 9-12, Idaho Assn. of Insurance Agents, annual, Sun Valley.
Sept. 10-11, New Jersey Assn. of Insurance Agents, annual, Traymore hotel, Atlantic City.
Sept. 10-12, New Hampshire Assn. of Insurance Agents, annual, Crawford House Club, Crawford Notch.
Sept. 12-14, Maine Assn. of Insurance Agents, annual, Samoset hotel, Rockland.
Sept. 12-14, Society of CPCU, annual, Cincinnati.
Sept. 12-14, Michigan Assn. of Insurance Agents, annual, Pantlind hotel, Grand Rapids.
Sept. 16-18, Insurance Federation of North Dakota, annual, Bismarck.
Sept. 17-18, Minnesota Assn. of Mutual Agents, annual, Leamington hotel, Minneapolis.
Sept. 17-19, International Claim Assn., annual, Hotel Chamberlain, Old Point Comfort, Ft. Monroe, Va.
Sept. 17-20, National Assn. of Insurance Agents, annual, Waldorf-Astoria, New York.
Sept. 18-21, Mutual Loss Managers' Conference, Hotel Statler, New York.
Sept. 24-25, Utah Assn. of Insurance Agents, annual, Salt Lake city.
Oct. 7-9, Pennsylvania Assn. of Insurance Agents, annual, Bedford Springs hotel, Bedford Springs.
Oct. 7-10, National Assn. of Casualty & Surety Agents, annual, White Sulphur Springs, W. Va.
Oct. 7-10, National Assn. of Casualty & Surety Executives, annual, The Greenbrier, White Sulphur Springs.
Oct. 14-17, Federation of Mutual Fire Ins. Companies, annual, Sheraton-Gibson hotel, Cincinnati.
Oct. 15-17, California Assn. of Insurance Agents, annual, Sheraton-Palace hotel, San Francisco.
Oct. 7-11, National Assn. of Mutual Insurance Companies, annual, Cincinnati.
Oct. 16-17, Massachusetts Assn. of Insurance Agents, annual, Sheraton Plaza hotel, Boston.
Oct. 17-19, Insurance Accountants Assn., annual, Hartford.
Oct. 21-23, Insurers of Tennessee, annual, Noel hotel, Nashville.
Oct. 21-23, Maryland Assn. of Insurance Agents annual, Lord Baltimore hotel, Baltimore.
Oct. 22-23, Arizona Assn. of Insurance Agents, annual.
Oct. 22-24, National Assn. of Mutual Insurance Agents, annual, Shoreham hotel, Washington, D. C.
Oct. 22-24, Wisconsin Assn. of Insurance Agents annual, Schroeder hotel, Milwaukee.
Oct. 22-24, Western Underwriters Assn., annual.
Oct. 25, American Institute of Marine Underwriters, annual, New York.
Oct. 28-30, Kansas Assn. of Insurance Agents, annual, Broadway hotel, Wichita.
Oct. 28-30, Illinois Assn. of Insurance Agents, annual, Springfield.
Nov. 7-9, Michigan Assn. of Mutual Insurance Agents, annual, Pantlind hotel, Grand Rapids.
Nov. 11-13, Kentucky Assn. of Insurance Agents, annual, Kentucky hotel, Louisville.
Nov. 26, National Assn. of Mutual Casualty Companies, annual, Edgewater Beach hotel, Chicago.
Nov. 26-28, American Mutual Alliance, annual, Edgewater Beach hotel, Chicago.
Nov. 28-30, South-Eastern Underwriters Assn., semi-annual, Pinehurst, N. C.



CUT
reconciliation
costs UP TO 90%

with Lithofold's
ELECTRONIC
CHECK

a pre-punched Tab Card voucher
check set

with no change in your
present method of preparing checks

NOW you can reconcile your
checks by automated meth-
ods — instead of hand sortings.

HERE'S HOW IT'S DONE

The check portion of the set is a tabulating card pre-punched at the factory with the consecutive number.

A sorter will put checks into exact numerical sequence.

A tabulator can list all check numbers cleared, and signal location of missing numbers.

Or a collator can compare cleared checks with a control set of cards.

Total of unmatched checks, plus bank's total pay-out completes your reconciliation . . . at a small fraction of manual cost. Many banks offer varying amounts of reconciliation service on these checks . . . which can further reduce your data processing expense.

An Automated Form
YOU Can Use NOW

WRITE TODAY for DETAILS!

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500 BITTNER ST. ST. LOUIS 15, MO.

REINSURANCE MANAGEMENT COMPANY

Reinsurance Planned and Negotiated
Domestic and Foreign Markets
Twenty Five Years Insurance
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Fire and Casualty Insurance

COMMENTS - TRENDS - OBSERVATIONS

Selective Underwriting, Rating of Auto Business Being Done by Electronics

State Farm Mutual Automobile now is doing selective underwriting and is computing premiums on private passenger automobile business. As C. A. Marquardt, vice-president for planning and research, points out, the hope is that with the use of IBM 650 for these purposes, the company can save as much as 25% of underwriters' time.

During 1955 State Farm processed 2,829,033 applications for insurance. Conservatively, Mr. Marquardt states, "we figure we spent 127,306 hours applying the principles and procedures of underwriting to this volume. Going on a little further, we figure we spent an additional 167,941 hours in rating this volume. This represents a total of 295,247 hours for underwriting and rating."

With those who have had anything to do with electronic operations it is already a platitude that the machines popularly labelled "mechanical brains" really have no brains at all, marvelous servants though they may be for human use in business, Mr. Marquardt comments. But a data-processing machine does have a complex "character." If handled from the start with understanding, it can be molded and guided so that the greatest articular benefits may be derived from its synthetic virtues of integrity, faithfulness, prodigious memory, industriousness and willingness to adapt.

It is this last-named virtue which State Farm believes to be uniquely important and the one which must be basically considered in any company's planning and programming of electronics usage, according to Mr. Marquardt. The truly new dimension introduced to business procedures is the ability of the data processing machine to make possible mechanization of special functions and operations not heretofore

possible for a company's or a whole industry's particular needs. This is the machine's "willingness to adapt" when guided to important new environments of work processing and management planning.

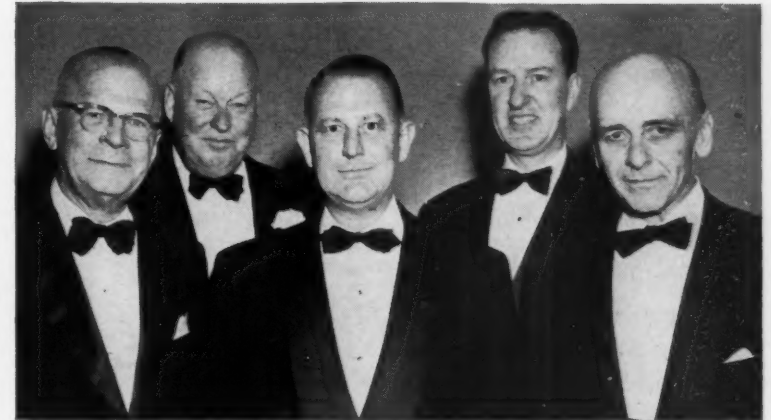
State Farm's selective underwriting with the IBM 650 is a pioneering example of data-processing machines' broad adaptability. Among the uses the company has programmed for the 650, or will program in the future, it considers that selective underwriting and premium computation represent the greatest special gains.

Selective underwriting is "a series of tests against pre-determined numerical underwriting standards of acceptability of any given applicant." Failure to meet any one of these tests results in an automatic indication of rejection of risk that holds out the application for human consideration, Mr. Marquardt states.

"We look upon this selective underwriting operation as a fact-finding, fact-sorting, and fact-comparing function. We ask the machine to find, to pull out, and to compare certain facts and tell us what it found out. But we do not expect it to pass final judgment in declining risks. It simply points these out. The yes-or-no decisions will continue to be the result of human judgment, based on company experience and observation of facts pointed out by the 650 machine."

It takes a lot of time to follow the company's principle of applying careful, conscientious standards to underwriting, he points out. Underwriters have to look over very carefully every one of some 28 or more points. They observe, compare, eliminate, weigh, and eventually conclude that the risk does or does not meet the company's requirements.

"Because of the volume of applica-



New officers of National Board are, from the left, D. R. Ackerman, chairman of Great American, treasurer; Harry W. Miller, general attorney of Commercial Union-Ocean vice president, James C. Hullett, president of Hartford Fire, president; Lewis A. Vincent, general manager, and Barry Truscott, president of Camden Fire, secretary.

tions for insurance that we process, underwriters have been forced to hurry and unfortunately, in my estimation, were not able to give sufficient time to the truly borderline risk.

"We have assigned a code to each piece of information in the long list in the application that is considered by the human underwriter. We know that only a certain small percentage of applications are cancelled or rejected for cause. The problem is the time required to cull these from the large percentage of acceptable applications. By using the automatic fact-noting abilities of the machine to do separating, we save a great deal of time and increase underwriting care to an even greater degree. If we can eliminate even 25% of the time now spent by underwriters in their comprehensive and complicated exercise of judgment, and have a machine to do the fact finding, sorting and comparison on the basis of facts given it, we give the underwriter more time to devote to the truly questionable risks, more time to write better letters, visit with agents in the field, and to do the other things he must do in addition to determining acceptability of applications for insurance."

"Not much training will be required for people to code the facts or points disclosed by applications. They need not retain in their minds what they read before. All they have to do is to start reading answer by answer or fact by fact, apply a pre-determined code and let the machine do the fact sorting and comparing. As long as a person does not have to evaluate a set of facts but merely apply a numerical code, the processing can be performed quickly and accurately. Then, too, quite a few of the codes are also used for automatic rating purposes on the 650. The main point is that we will those few cases that need judgment

consideration for final acceptance and other things that a machine cannot do.

"We have programmed this operation so that the machine will not only tell us that it has rejected a risk, but free our true underwriters for work on why it was rejected. It also has been programmed so that when something is wrong, it will go on and test and pick out any other reason or reasons for rejecting later on in the test. We also have some sort of indication made on output cards and by running them through a tabulator we will print out on a worksheet, we can see 'Yes' or 'No' on the various points. We know the machine will not make an error or miscalculation if the true facts are fed into it. If you give it garbage, you will not get fruit salad. Human problems are something we will always have to contend with, notwithstanding the merits of and utilization of electronic brains."

"The extreme need for accuracy in coding is even more important under our new program than under our old program," Mr. Marquardt continued. "The need for this caution is obvious since the processing of work for the 650 is more dependent upon accurate coding and thus eventually on punch cards. The need for accuracy is stressed for two primary purposes:

"1. This data-processing machine is so versatile and has been programmed to utilize this versatility to the extent that many invalid coding conditions will cause the machine to indicate those coding errors and therefore refuse to process the item, and

"2. Since the selective underwriting process is entirely automatic and dependent on codes, even though certain codes may be within the sphere of valid codes, the result could be wrong and therefore pass all tests without being detected."

"We knew the limitations of the machine."

(CONTINUED ON PAGE 29)



James M. Anderson of North Wilkesboro, president, J. C. Allison of Raleigh, treasurer, and Louie E. Woodbury Jr. of Wilmington, national state director.

The new president is executive vice-president of Insurance Service & Credit Corp. which handles general insurance and auto financing. He has been with the firm 17 years. At the annual banquet the agents presented him a special achievement award as a grandfather. He has six grandchildren and lists them as his hobby

New Officers of North Carolina Assn. of Insurance Agents elected at the annual convention at Pinehurst are, from the left, Charles C. Harris Jr. of Rocky Mount, secretary; Thomas F. Hewitt of Kinston, vice-president;

Cleveland Board Elects T. J. Oswald

Thomas J. Oswald, partner in the J. B. Oswald agency, has been elected president of Insurance Board of Cleveland to succeed Jack B. John, executive vice-president of the W. F. Ryan Corp. Paul R. Whitbeck of Levery & Whitbeck was named vice-president and Joseph H. Bishop Jr. was reelected secretary-treasurer for the seventh consecutive year and continues as executive secretary.



Thomas J. Oswald

Ga. Tightens Laws on Collision Cover Sales

Georgia department has tightened regulations on the sale of auto collision insurance in an effort to prevent overcharges through misclassifications of

drivers. One provision of the order prohibits companies from paying commissions to any person other than a licensed agent. Department investigators reported that auto salesmen who furnished information to companies on policies received indirect commissions.

Hewitt President of Mass. Mariners Club

Mariners Club of Massachusetts has elected Graves D. Hewitt of Boit, Dalton & Church skipper, Joseph E. Fellows of William Wallace & Co. first mate, John H. Cleary Jr. of Boston yeoman, Francis X. O'Leary of Employers group purser and Robert M. Cox of Appleton & Co. entertainment chairman, all of Boston.

New executive committee members are Ernest D. Smith of Boston, Arthur E. Harris of Gilmore Rothery, John M. Parsons of Aetna Casualty and William G. Ayres of Field & Cowles, all of Boston.

Northern of England has joined General Cover Underwriters Assn., which provides facilities for underwriting countrywide reporting form cover on multiple location risks and single state reporting form contracts for its members.

5,000 Tour New Kemper N. J. Site

More than 5,000 visitors, including agents, toured the new three-story eastern headquarters building of Kemper companies at Summit, N.J., to climax a three-day celebration. Agents and brokers from seven eastern states were treated to a banquet in New York and to a huge buffet luncheon under tents at the site, in addition to the tour. About 4,000 townspeople inspected the building on the evening of the last day.

The new structure, completely air conditioned and equipped with the latest electronic filing and data processing aids, was built to accommodate an eventual staff of 1,100. About 400 are currently employed, but capacity is expected to be reached by the end of the summer in the company's plan to make the new eastern head office a nearly autonomous unit.

The first and third floors of the building house clerical and administrative staffs in addition to lounges, a cafeteria and a dispensary. The second

floor, which opens on to a 250 car parking area in the rear, contains much of the electronic filing and indexing machinery and provides executive suite space.

The companies reserved New York hotel space for its visiting producers and took them to the Summit site via bus and private car.

Among company executives who attended the tour and buffet from the home office were H. G. Kemper, president; James S. Kemper, chairman; Mark Kemper, financial vice-president; R. M. Dewey, manager of fire special risks; N. C. Flanagan, executive vice-president and manager of business extension; M. P. Louthy Jr., assistant business extension manager; T. L. Osborn Jr., vice-president of American Manufacturers Mutual; Robert P. Palmer, secretary and advertising manager; R. G. Rowe, senior vice-president and claims manager; Chase M. Smith, general counsel; Peter Van Cleave, assistant to the chairman; M. B. Weber, senior vice-president and underwriting manager, and, from Boston, M. P. Louthy Sr. vice-president and manager of the New England department.

Present from the eastern office were William H. Heineke, vice-president and eastern manager; Fred S. Benson, resident secretary; T. B. Brassil, A&S manager; T. M. Jones, underwriting manager; T. C. Kirchner, service manager; N. S. Lane, data processing manager; J. J. Levis, regional underwriting manager; A. J. Mayer, 2nd vice-president and eastern claims manager; E. T. McAndrew, collection manager; M. F. Moore, assistant secretary and comptroller; W. P. Moore, 2nd vice-president and eastern underwriting manager; F. L. Mullen, office manager; John B. Mullin, fire underwriting manager; T. H. Noonan, branch claims manager; Blaine Platt, assistant secretary; L. J. Regine, bonds and burglary manager; George Robinson, auto underwriting manager; A. J. Stewart, manager of boiler and machinery; L. D. Strandine, compensation and liability manager; J. P. Thompson, audit manager; James Wilson Jr., assistant secretary and manager; L. S. Edwards Jr., regional production manager and Richard Sandhusen, public relations assistant.

R.I. Court Interprets New WC Provisions

The Rhode Island supreme court has interpreted a section of the new state workmen's compensation law which stipulates that appeals to the high court shall not delay the payment of benefits ordered by Rhode Island workmen's compensation commission. The court ruled that there is no restriction on its own authority to grant stays where they are deemed warranted but that such appeals do not automatically stay the decrees appealed from.

The court also denied any further stay to U.S. Robber Co., as employer of Mrs. Lillian Girard to whom the WC commission had awarded \$560 in December for back and head injuries. A temporary stay had been granted in the case.

Promotes Maljean in Pa.

Crum & Forster has appointed Robert Maljean inland marine superintendent at Pittsburgh to service western Pennsylvania and West Virginia.

Grangers Mutual Names White

Grangers Mutual of Maryland has named John B. White special agent in Tennessee and southwestern Kentucky. He has been with Tennessee Inspection Bureau for 4½ years.

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Details of National Casualty Ruling

In ordering National Casualty to stop alleged misrepresentation of benefits in its A&S policies, federal trade commission reversed the examiner's finding that FTC jurisdiction over advertising is limited to mail advertising and agents' advertising in five states which do not adequately regulate company advertising. The 3-2 majority decision ruled there was no doubt that the company was engaging in interstate commerce.

The company had argued that the proceeding is moot because the advertising complained of has been discontinued. But FTC notes that the company offered no assurance that it will not use this advertising in the future.

Numerous claims have been deceptive; 28 pieces of advertising containing deception were still being used at the time the complaint was issued, FTC found. The public interest required the order, FTC stated.

FTC found that statements such as "Pays surgical operation expense up to \$300" are misleading. Policies advertised by these statements, FTC states, do not provide up to \$300 for every operation. The number of operations covered varies from 47 to 90, and the maximum amount is payable only in from two to six cases. The unsuspecting, incautious members of the purchasing public may get the impression the policies will pay up to \$300 for any surgical operation, FTC ruled.

It is not the trained and experienced experts who need protection, FTC added but the members of the buying public who, in making purchases, are governed largely by appearances and general impressions.

The commission's order prohibits claims concerning the extent or duration of coverage or benefits payable, length of time policies may be continued by insured, or amounts paid for medical, surgical, or hospital benefits unless full disclosure of limiting provisions in the policies is made conspicuously, prominently, and in sufficiently close conjunction with the representations as will fully relieve them of all capacity to deceive.

In addition, the company must not claim that no medical examination is required unless persons actually are insured without regard to physical condition, or otherwise claim that conditions of health at the time a policy is issued will not be considered by the company in determining its liability or that the company will not, as a claims practice, require proof of good health at the time the policy is issued.

FTC examiners had scheduled this week four A&S cases. Examiner Laughlin was to hear the complaint against Craftsman at Boston Monday and the complaint against Inter-Ocean at Cincinnati June 7. Examiner Cox was to hear the complaint against American Life & Accident June 7 and against Automobile Owners Safety June 8, both in Washington.

Aetna Life Group Adds to Employee Vacations

Aetna Life companies have expanded its vacation policy to give three week vacations for employees with 15 years' service or more and four weeks to those with 30 years service. Employees with less than 15 years with the company will continue to get two week vacations after the first year of employment. The plan also provides that employees with more than 25 years'

service may elect to take five or six week vacations once between age 60 and 65 by holding over two weeks from the previous year.

Company officers and field managers will get three weeks vacation after the first year of employment and four weeks after 15 years.

The plan does not affect the company's earned day program which gives employees one day off for each two months' perfect attendance.

R. L. Lynch & Co. adjusters has moved its East St. Louis office to 20 East Washington street, Belleville, Ill.

Equipment Dealer Form Okay in Tex.

Texas has approved a special filing made by the Inland Marine Insurance Bureau, effective June 1, of that section of the IMIB manual pertaining to equipment dealers insurance.

Among the changes is one in rule 6, for a base rate of 40% of specific annual fire contents rates in lieu of 50%; in rule 9, "additional coverage on other stock," to provide for a limit of not exceeding 25% of the amount of insurance otherwise provided under the

policy, in lieu of 15%; and a new rule 9A, "other property," which permits IMIB in individually submitted cases to extend policies to cover tenants improvements and betterments; furniture and fixtures; machinery and tools; and neon, automatic or mechanical electric signs.

Springfield (Ill). Assn. of Insurance Women at its annual meeting installed the following officers: Mrs. Irene Daniel of Continental Casualty, president; Miss Pearl Selvaggio of Illinois National Casualty, vice-president; Mrs. Marie Bosnack of the Sears agency, secretary, and Mrs. Jean Coady of the K. W. Lee agency, treasurer.

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Business Week—July 7 • Newsweek—July 16 • Time—July 16 • U. S. News & World Report—July 27 • Nation's Business—August • Town Journal—August • American Home—August • Better Homes & Gardens—August

CDP Changes Are Approved in N. Y.

The New York department has approved, effective June 15, changes in the comprehensive dwelling policy as filed by New York Fire Insurance Rating Organization, Inland Marine Insurance Bureau and National Bureau of Casualty Underwriters. The changes, which were recommended by Interbureau Insurance Advisory Group, have been filed in other states.

Among expected changes, the CDP theft coverage has been revised to correspond with the broad personal theft policy which recently replaced the residence and outside theft contract. Also as expected, the rules now permit adding a personal articles floater. This will be according to the standard forms of IMIB or Transportation Insurance Rating Bureau, depending upon the membership or subscribership of the insurer. Rates will be those of the IMIB or TIRB, without discount, except for those applicable to certain classes for which flat and discounted rates are shown on the coverage group D rate pages of the CDP manual.

The new rules also permit the use of a single CDP to cover all dwellings belonging to insured and otherwise eligible for the policy. This applies only to dwellings within a state. Where secondary dwellings are located in other states, the rules are as before—a separate CDP on the secondary location and properties there, with liability cover omitted if included in the main policy and both policies in the same company. Under the single-state, single-policy rules, the minimum requirement will not apply to secondary locations, except that the premium for these locations must be over the \$125 minimum premium applicable to the main residence.

Farm residences, which have been out of the picture until now, are eligible for the CDP—as are private structures associated with them—if the occupants of the dwelling are not engaged in the operation of the farm and there is no exposure to farm buildings within 200 feet. The liability coverage used in this situation corresponds with the farmers comprehensive personal liability policy, including provision for optional animal collision cover. Recent changes made by National Bureau in CPL and farmers CPL have also been picked up in the CDP forms.

Interbureau is recommending eligibility of farm dwellings and out-buildings only on farms in states where the fire rating organization treats such risks similarly.

An earthquake damage assumption endorsement is now available for use with CDP.

Other changes—mostly for clarification—include new wording in the rule having to do with the optional exclusion of employers liability coverage for employees of additional insured, making it clear that, while the basic policy includes employers liability coverage without additional charge for two full time residence employees, this is subject to both the former exclusions and statutory provisions having to do with workmen's compensation insurance or benefits. Handling of the survey form

Bill Sets up Plan of U. S. Atom Cover

A government indemnity program for atomic plants has been introduced by Sen. Anderson of New Mexico, chairman of the Atomic Energy Committee. The committee had completed hearings on atomic insurance problems after hearing testimony from Kenneth E. Black, president of Home and chairman of the National Board committee to provide physical damage insurance for nuclear installations. London Lloyds also has announced it is prepared to offer insurance on atomic risks. The Anderson bill provides:

Government indemnity above third party liability cover of private insurers, the amount of which is to be determined by AEC.

Limitation of third party liability of reactor operators and equipment manufacturers to the amount of private insurance plus cover available from the government.

A charge of up to \$10,000 would be made per reactor for use by AEC for research and development of atomic safety.

AEC is authorized to enter into indemnity agreements with its contractors and subcontractors.

Procedures and standards for claim settlement to broaden the public protection and protect the government against excessive settlements.

Mr. Black said that the ideas outlined by Sen. Anderson have merit as does the bill proposed by the Atomic Energy Commission. Engineers and technicians are studying atomic science to determine rates for atomic insurance but they have never seen a reactor and have little conception of what they are trying to rate. Rates, he said, would not be excessive, inadequate or unfairly discriminatory.

Hearings will be held on the Anderson bill and the AEC legislative proposal in the next few weeks.

Orange County Agents Install Dickerson

John W. Dickerson of Goshen, N.Y., has been installed new president of Orange County (N.Y.) Assn. of Insurance Agents. He succeeds Elsie Melrose of Cornwall. Joseph A. Neumann of Jamaica, N.Y., past president of National Assn. of Insurance Agents, also installed Frank Dod of Middletown, vice-president, and Winifred Swenson of Cornwall, secretary. In a talk on the direct writer problem, Mr. Neumann urged agents to weed out redundant procedures and redouble sales efforts.

—which is mandatory where the policy is written subject to premium discounts—is simplified by a new rule providing that information, which will be shown in the policy, need not be shown in the survey form. The rule concerning liability insurance at additional residential premises owned and occupied by insured or owned by insured and rented to others has been expanded to make it clear that the former must be shown in the declarations and charged for and that the latter may be shown and charged for if the insured wishes.

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WC Benefits, Time and Duration, Rise

Increased and new benefits from occupational diseases are features of workmen's compensation legislation passed in seven states in the recent legislative sessions.

In New York one of four recent bills bars a form of indirect liability by an employer to an injured employee if it exceeds the employer's direct WC liability to the employee. Another recodifies the payment and claims section of the law. Another requires that copies of medical reports be given to claimants' representatives on request, and the last changes the place of arbitration of disputed medical bills from the claimant's county to the county where services are rendered.

Increased WC benefits in Kentucky as a result of a new bill include maximum death benefits resulting from injury by occupational disease from \$9,500 to \$12,000, maximum benefit from total disability from \$11,500 to \$13,500, weekly benefits for partial disabilities resulting from occupational diseases from \$24 to \$26 and the minimum from \$7 to \$12, maximum benefits for permanent partial disability from \$9,500 to \$10,800 and weekly maximum benefits in this category from \$24 to \$27. The new law increases fees of physicians and surgeons from \$50 to \$75, and where depositions are ordered by the state WC board, the fee is raised from \$10 to \$25. The law also defines occupational diseases.

Michigan increased WC benefits an average of \$4.71 a week in all categories, ranging from \$1 for a single worker to \$15 to a worker with five dependents. The new law specifies that permanently disabled workers will receive compensation for 500 weeks and, if permanent disability can be proven at the end of that time, compensation will continue indefinitely.

Maximum benefits for total disability were increased in Pennsylvania from \$32.50 a week for up to 700 weeks to \$37.50 a week for life. Partial disability benefits were raised from \$23 to \$27.50 a week and the 350 week payable period was changed to start at the end of total disability instead of at the time of the accident. The new law also provides medical care for six months and raises death benefits from \$32.50 to \$37.50 a week for 350 weeks. Occupational disease benefits are raised.

Rhode Island has increased from \$22 a week to \$32 a week payments to a worker who is partially disabled but can't find suitable work and has raised from \$53 to \$58 a week the ceiling for combined cash sickness and WC benefits to workers unable to work because of non-occupational illness or disability. Another bill permits two instead of three members of the state WC commission to hear appeals. A bill that has passed the senate calls for a complete study of lump sum WC payments. The study would seek to determine whether resort to lump sum procedure conceals inefficient or non-existent

claims adjustment offices of certain insurers and effects unfair competition among companies. It also will explore legal costs and fees of insurers and employers and will examine the advisability of adding employment legal costs to the employer-insurer expense.

South Carolina has increased maximum WC benefits from \$8,000 to \$10,000.

Virginia has passed a bill raising maximum weekly WC benefits from \$27 to \$30, death benefits from \$8,100 to \$9,000 and maximum disability payments from \$10,000 to \$12,000.

Old Colony Marks 50th Anniversary

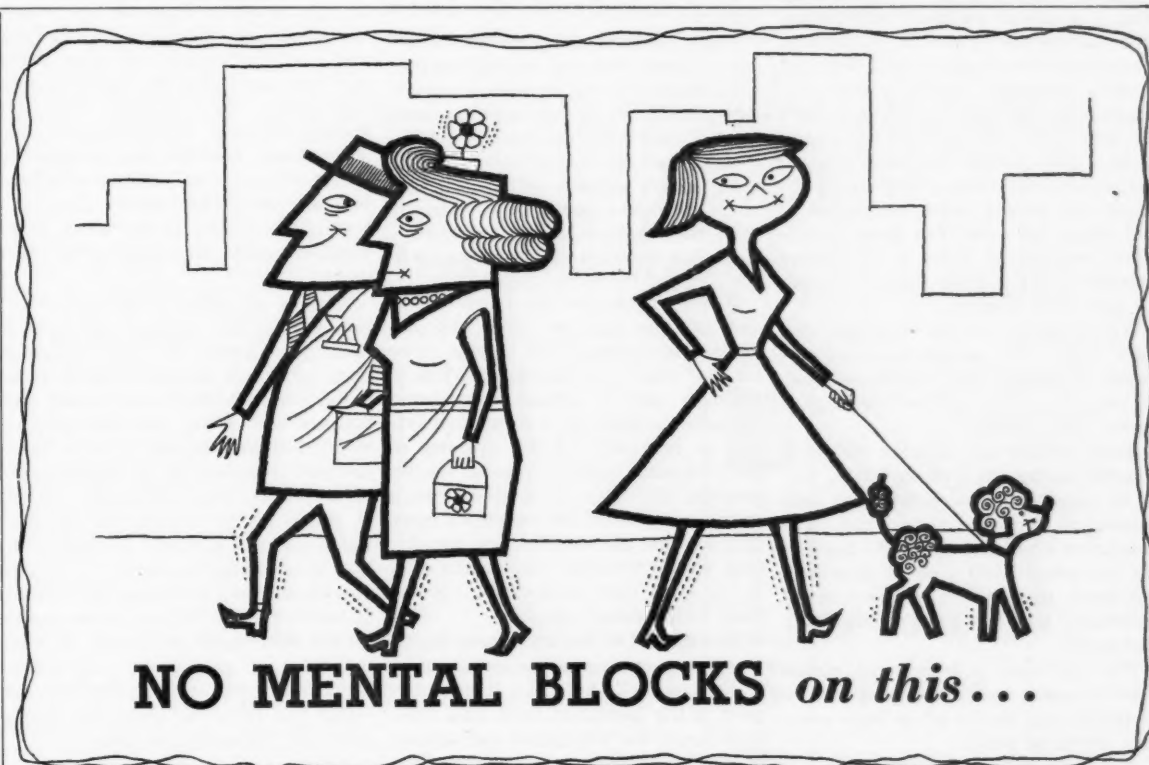
Old Colony is marking its 50th anniversary. It is a member of Boston group and takes its name from the original old colony which was established by the pilgrims at Plymouth, Mass., in 1620.

The company started writing fire in a five state area, Maine, Massachusetts, Pennsylvania, New York and Washington, D.C., and in its first year it granted franchises to nine agencies. At the close of the first year of opera-

tion premiums written totaled \$108,345. Capital was \$400,000 and surplus was \$200,000.

Today the company is licensed throughout the U.S. and part of Canada and writes fire and marine and is gradually extending its casualty facilities countrywide. It has 3,500 agents who wrote \$14,222,369 in premiums in 1955 and its capital is \$2 million and policyholders surplus is \$15,139,690.

The French & Gail agency of Kenosha, Wis., has moved to 622 59th street.



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EDITORIAL COMMENT

Agency-Insurer Partnership: Commissions

One problem of the local agency system of distribution which grows more important as the strain of competition increases is the agent's relations with his companies and their relations with him.

This relationship is a partnership. But it is not an ordinary partnership. It is an unusual, almost a unique one, composed of a company that does not have a salesman, and of a local, independent agent who does not have an employer. The partnership is optional. The parties undertake the relationship voluntarily. There is a contract, but with a dozen companies in his office the agent can give a company business or place it in another insurer—for the good of his customer, or for other reasons.

The company, on the other side, can turn down the agent's business because it doesn't like the appearance of the risk, or the kind of risk, or for some other reason.

Each partner can dissolve the partnership pretty much at any time.

As an optional partnership its most important terms are not written. It is a relation which has been held together by the integrity of men of good will for more than half a century in an enterprise that has been astonishingly successful.

The fact that it is optional means that the agent is free and the company is free to put into it all of their creative effort, or none.

The partnership is being tested today by a variety of forces. Many have taken a fresh and critical look at it, and have asked: Do the values of the partnership outweigh the weaknesses? Is the partnership strong enough to survive?

One frequently discussed feature of the partnership is commission. Agents have tended to regard the commission and to speak of it as a principle. Companies have been inclined to talk of it as though its reduction were all that stood between the insurers and success. Both views overstate the matter.

The commission is a device which fire and casualty companies have used successfully to develop and maintain volume. Where they have used it to increase business on profitable risks or develop new lines, the commission has not been too high. When insurers lose money on a line, or lose desirable business to price competition, the commission becomes too high.

Agents occasionally refer to the commission as though it were some-

thing static, fixed and unchangeable. This does not seem to be the case. Within a reasonable range, the commission always is changing. It varies from line to line, from territory to territory, from company to company, and even from agency to agency—to some degree.

There has been some pressure to get commissions reduced on automobile, and compulsory will increase this pressure. Insofar as the pressure on automobile premiums has diverted automobile business to deviating companies, agency or non-agency, on that much business commissions already have been reduced in the automobile field. But commissions have gone up in the fire and inland marine field.

Direct writers also pay commissions, and as time goes on they will pay more. Some already are paying more for the cost of production. When a company pays a certain commission for new business and a lower percentage on renewal, and the business of the company becomes almost wholly renewal, the agent is going to get a higher percentage, get something more that he can sell readily and rapidly, take a part time job somewhere else, or, as some have been doing, become local, independent agents.

The theory of having a commission that is higher on new business than it is on renewal is not new. It has been used in life insurance for a long time. One reason for the higher commission on new business is to cause the agent to sell new business, a kind of in-built sales stimulator. However, fine as this may be in theory, it doesn't work perfectly in practice. Life agents sell new business for a variety of reasons, one of which is the high first year commission. But this is not the only reason and this in itself does not produce sales automatically.

As a device the high-low commission may tend to keep the direct writing agent reaching for new business, as the commission system in the local, independent agency field tends to slow down the agent who gets a good volume of business. But the high-low device will not guarantee a steady, unrelenting, large flow of new premiums. Conversely, the level commission does not bemuse all local, independent agents into sitting on their chairs living off their renewal income.

The agent of the direct writer and of the life company is a "captive" agent. In these days when marketing methods are being tested in all lines

of insurance, when the cost of the local, independent agent is being analyzed, and when the suggestion is advanced that perhaps the fire and casualty companies should adopt the life system of getting new agents and paying them, one is apt to conclude that it is pretty easy to become a local, independent insurance agent—that anybody can do it.

But it isn't easy. It is hard work and it takes a long time. It isn't cheap, and it requires a lot of seasoning.

The life business is thoroughly aware of how much it costs to get a new agent started—thousands of dollars. Yet in spite of expense of a very heavy sort, advances and drawing accounts, supervision and training, and, for many, pensions, hospitalization and other fringe benefits, the turnover in life insurance is still higher than that business would like it to be.

But take a look at the local, independent agent. How does he get that way?

Most of the men in the U.S. would rather work for someone else than be their own bosses. The percentage of men willing to meet a payroll, compared with all men, is very small. The hazards are great, the mortality is high. It is uncomfortable to be independent, especially in the early stages of the effort. This eliminates millions of people at the outset. But suppose the fellow has a streak of determination in him, and he wants to own and operate his own business. Add a dash of instinct to be of use to the people in his community, a desire to allay the fears of people by reducing or transferring wholly the risks they run—and you have the start of a career as a local, independent agent.

But the prospect for the local agency business—who pays his way in? He does. He pays his own way, with savings, with hard work, or both. He pays his own way in, and with the help of field men, he provides his own training. He furnishes his own supervision. That is a good partner to have, one that doesn't cost anything except the going commission on business.

The fire and casualty companies are beginning to recognize this economic value in the local agency system. They have thought out and are now pointing out in advertising and other ways some of the values of the particular kind of partner they have in this enterprise of insuring people and property. Some companies are talking about helping pay the way of young men into the business. Some have reached the conclusion that it is uneconomic to appoint part timers as agents—barbers, say, or firemen.

It is not easy to get into the local agency business, and it is hard to continue to be independent. But what does

being independent mean to the public? Of course, it means a lot to the agent, but when he is earning money by being that, independence has to be worth something also to someone else. Certainly the rewards ought to be greater than those that come from being only an employee—but only if he creates greater values for his community as well as for himself, and his companies as well as for himself, by being independent.

The agent can be so local he doesn't get out of his office. He can be so independent he doesn't tell prospects what he has for them.

The life company and direct writer systems of distribution have their own problems. Life insurance has its own peculiarities. In addition, more and more life companies are looking to the local, independent agent for the production of life business. Life companies now maintain headquarters at local agency meetings where they dispense free whisky and literature.

The evidence does not seem to point clearly by any means to the possibility that either the life type of commission or its cousin, the direct writer type of production payment, has proved so far superior to local agency reimbursement that they will replace or radically modify the latter.

Fire and casualty companies pay as little commission as they can in order to get business, and the local, independent agents get as much commission as they can for producing the business.

Wouldn't it be strange if the situation were otherwise?

(Part II of this editorial will appear next week.)

PERSONALS

James S. Kemper, chairman of the Kemper companies, will receive an honorary doctor of laws degree from Miami University of Oxford, O. Mr. Kemper will also deliver the commencement address.

Leo B. Miller of the Miller-Snow agency at Detroit, for many years a Michigan field man for the Meserole group, became a grandfather May 24 with the birth of Lee Andrew Miller. The father, **Jack R. Miller**, is a special agent at Detroit for American Auto.

Robert V. Fallon, a rater in the fire rating department of Associated Reciprocal Exchange, and **Miss Audrey Mondazzi**, a research associate of Institute of Life Insurance, were married in Yonkers, N. Y.

Miss Ruth Phillips, daughter of Harold L. Phillips, public relations director of Assn. of Casualty & Surety Com-

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panies, and Mrs. Philips, and O. Weems Hollowell, student at Yale medical school, will be married at the Philips home in Short Hills, N. J., June 9.

J. L. Young, local agent of Tampa, has been sworn in as acting mayor there after the death of Mayor Hixon. He will act as mayor until a special election.

Donald G. Parker, who has been elected a vice-president of General Re, joined the company as assistant secretary in 1953. Previously he was superintendent of the A&S department of National of Hartford group and served in the same capacity prior to that with Accident & Casualty.



Donald G. Parker

Herbert E. Girardet, who has been elected secretary, joined the company 1954 as manager of the foreign department after five years with Swiss National in Basel. In that time he worked in marine insurance in Hamburg with Messrs. Mund & Fester and was associated with Andrew Weir & Co. at London Lloyds.



Herbert E. Girardet

He made several business trips to the U.S. and in 1951 made an extensive review here of American insurance for Swiss National. As manager of General Re's foreign department he has traveled in Europe and Latin America, studying individual insurance markets.

J. Thomas Wellford, Memphis local agent, has been elected chairman of Shelby county grand jury for the forthcoming session.

B. H. Mercer, president of Fidelity & Deposit has been named a trustee of Johns Hopkins hospital, Baltimore.

Perry Pipkin, Memphis local agent, has been reappointed to the Memphis board of adjustments.

Victor O. Schinnerer, local agent of Washington, D. C., has been elected a vice-president of the board of trade there.

Vernon Sharp Jr., Nashville local agent, has been elected president of Vanderbilt alumni association.

Hugh Christie has joined the Knight, Orr Co. agency of Jacksonville, Fla. Mr. Christie is well known in the business, having been for 11 years deputy Florida commissioner, and more recently the founder of Ins. Co. of the South, financed by Mason Lumber Co. and other Jacksonville interests. With Knight, Orr Co., Mr. Christie's interests will be primarily in the real estate field.

Craig Thorn Jr., new vice-president of New York State Assn. of Insurance Agents, entered the business in Hudson with his father in 1931. He became president of the local agency, Craig Thorn Inc. in 1933 and subsequently secretary-treasurer of C. W. Bostwick

Inc. The agencies date from 1860 and 1840, respectively. Mr. Thorn, a director of the state association for three years, served as treasurer two years and as a regional vice-president, and he is past-president of Columbia County association. He is a member of the speakers' bureau sponsored by the association and Assn. of Casualty & Surety Companies. He is past president of Hudson Rotary Club, Hudson Junior Chamber of Commerce, Hudson Chamber of Commerce and Hudson Community Chest.

Eloise West, assistant editor of The National Underwriter at New York, and Martin Parkinson of New York, were married in Yonkers. After honeymooning in Florida and Kansas, the couple will make their home in Yonkers.

Herbert S. Brewer, the new treasurer of the New York association, started in business in 1938. After war service, in 1946 he purchased the Henry J. Brumley agency in Lockport, an agency founded in 1906 and this year celebrating its 50th anniversary. The agency has been a member of the state association 35 years. He purchased the Dennis M. Walker agency in Lockport in 1955. Mr. Brewer has served as executive committee member and regional vice-president and has been co-chairman of membership development for the past two years. He is past president of Lockport board, a member of the insurance committee of the city of Lockport, chairman of the Salvation Army board, a director of Niagara County Tuberculosis Assn., and past president of the Exchange Club.

Briggs A. Hoffman Jr., recently elected a vice-president and director of General Insurers agency of St. Louis, is the third generation of his family to be connected with insurance in that city. His grandfather founded Hoffman Son & Co., with which his father also was associated. The agency later was merged with Lawton-Byrne-Bruner agency.

DEATHS

GEORGE A. BOWLES, 73, Virginia insurance commissioner since 1930, died at a Richmond hospital June 1 about eight hours after he had been elected to his seventh term as secretary-treasurer of National Assn. of Insurance Commissioners. He was buried Sunday in Goochland county where he was born and had maintained his home.



George A. Bowles

Mr. Bowles was a railroad telegraph operator from 1902 to 1910, and for 15 years beginning in 1915 was a member of the Virginia house of delegates. He was appointed insurance commissioner in 1930 and for 26 years he was a leader in the effort to make the work of National Assn. of Insurance Commissioners effective. He was president of NAIC from 1937-1938 and had been secretary-treasurer since 1949. He also served as chairman of Zone 2 from the time the zones were inaugurated.

Mr. Bowles was not an ostensible

leader in NAIC affairs, but his advice was often sought. He led from the background, so to speak, his political experience and years of service to NAIC making his counsel sought after and put to use. He was one of the leading opponents of the idea of a central office for NAIC, although once the office under Hugh Tollack went into operation he admitted he had been too strenuous in his objections.

One of the pleasant moments of NAIC meetings while Mr. Bowles was attending in his official capacity was the roll call, which he handled with

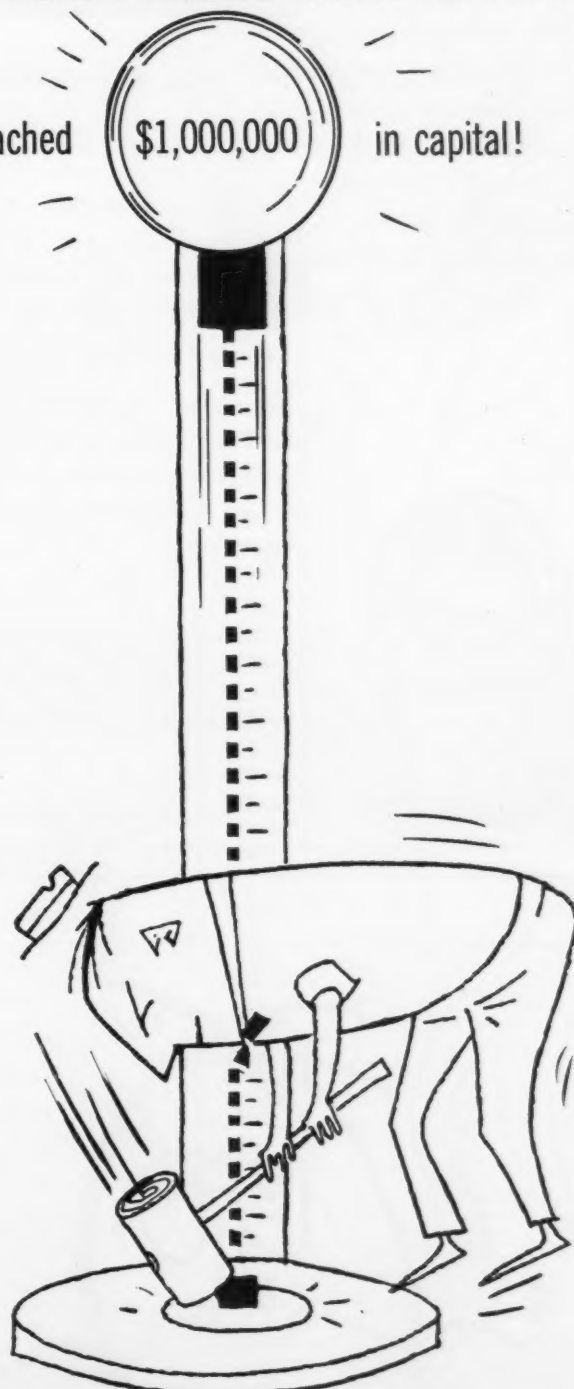
aplomb. He called out the names of the states loud and clear, but with his own interpretation of how they should be pronounced. He made the tedious formality of the roll call one of the more pleasing ceremonies of the meetings.

H. THOMPSON BATTS, 57, senior vice-president of American Mutual Liability, died at Newton-Wellesley hospital, Wellesley Hills, Mass., where he resided. He joined the company as a sales representative in St. Louis in 1937. He became branch and district sales manager at Nashville in 1941

(CONTINUED ON PAGE 43)

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Holz Seeks Opinion on Self-Insurance for Welfare Funds

NEW YORK—Superintendent Holz has asked Attorney-general Javits of New York whether jointly administered union welfare funds may legally self-insure. The law permits a fund wholly administered by a labor union to self-insure but the insurance department counsel's opinion has been for the past six years that this exemption does not apply to welfare funds that are jointly administered by trustees representing the union and the employers. The law was enacted before jointly administered funds began to figure at all prominently in the welfare fund picture.

The request for an opinion is the outgrowth of pressure from trustees of several large funds, who hold that big savings could be made by self-insuring. The National Maritime Union pension and welfare plan has been particularly active. Its consultant, Martin E. Segal, New York, estimated that the fund could save \$135,000 a year by switching from insured to self-insured status. Of this saving, the elimination of premium tax, to which self-insured funds are not subject, would account for about \$72,000. The fund covers some 40,000 seamen and pays nearly \$2 million a year in premiums.

Permitting jointly administered funds to self-insure would cost life companies large amounts of business because the saving in premium tax alone would almost compel the trustees of funds above a certain size to decide for self-insurance.

It will be another week at least before Attorney-general Javits renders an opinion.

Loyalty Ups Watterson

William H. Watterson has succeeded H. Magner White as assistant secretary of Loyalty group in the Pacific department. Mr. White was recently made district manager at Sacramento.

Grand Rapids Agents Appraise PR

An appraisal of its public relations and advertising program by William Landman Jr. marked the final meeting of Grand Rapids (Mich.) Assn. of Insurance Agents. The association will hold its annual picnic June 26 at Green Ridge country club.

Allstate Head Predicts Driver Education as H. S. Diploma Requisite

Calvin Fentress Jr., president of Allstate, at the open house of Allstate's St. Petersburg, Fla., office predicted that automobile driving classes will become as necessary for a high school diploma as the standard academic courses.

He praised recent Florida legislation providing state funds for high school driver education as indicative of the increasing importance of driver training in the high school curriculum. "In our highly mechanized society," Mr. Fentress said, "proper driving instruction is essential in preparing youngsters to assume their roles as members of the community."

He pointed out that the Florida legislation brings to six the number of states granting direct aid to high schools offering driving instruction. Emphasizing that driver training has definitely proved itself, Mr. Fentress cited statistics showing trained young drivers have less than half the accidents of the untrained in the same age group. He said that although 467,925 students were enrolled in courses last year, this figure made up only 25% of those eligible. The remaining had no training or the courses offered were inadequate.

Mr. Fentress stressed the importance of attitude towards driving as well as techniques. "Classroom work is necessary, but must be supplemented with behind the wheel instruction if the training is to be comprehensive." He warned that support for driver training must come from all segments of the population, including business and industry. He pointed to the recent Allstate foundation grant of \$5,000 to Florida state university at Tallahassee as an example of how industry can help. The foundation made 32 similar grants throughout the country last year.

Mr. Fentress, who is chairman of the business advisory council of President Eisenhower's committee on traffic safety, cited the recommendations of the recent Miami regional meeting as a yardstick for effective grass roots action to solve the problem of traffic safety.



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Advocates Independent Audit of Company Books

An independent auditor's opinion on insurance company financial statements is needed for the protection of the public, regulatory bodies and the companies themselves, according to James J. Brophy in an article published in the June issue of *Journal of Accountancy*. Mr. Brophy is a partner in Brophy, Mimier & Co., Dallas CPAs.

Independent audits by CPAs are now required by Texas, he points out, and the insurance department called on Texas Society of CPAs for help in this program.

Mr. Brophy rejects two reasons often given for the lack of independent audits. Although insurance companies are examined by state insurance departments, he says that three to five years generally elapse between examinations and that laws often reveal "loopholes." Variation of insurance accounting principles from those of other companies he also declares invalid because the auditor's opinion can be expressed in terms of compliance with state regulations rather than "generally accepted accounting principles." Insurance companies depend on public confidence, Mr. Brophy says, and "cannot afford to employ any financial practices that fall short of the very best."

Rider Retires After 20 Years with Ohio Casualty

Nelson W. Rider, claims attorney for the Chicago branch of Ohio Casualty, has retired after 20 years with the company.

He began his insurance career in 1921 with Integrity Mutual Casualty, joined the Kemper companies as claims supervisor in 1926 and went with Ohio Casualty at the home office in 1936 as claims supervisor. He was assigned to Chicago as claims attorney in 1937.

Michigan Assn. Offers Extra \$500 Prize

Michigan Assn. of Insurance Agents is offering supplemental \$500 prizes to any Michigan member who wins the highest of any of the six awards in the national association's contest to select an insignia, seal or designation to distinguish independent agents from direct writer competitors. All member agency employees in the state are eligible.

Loss Executives Assn. Hears Atom Hazard Talk

G. Wesley Hall, inland marine and aircraft division manager of General Adjustment Bureau at San Francisco, addressed Loss Executives Assn. on atomic hazards at a meeting in New York. He illustrated his talk with color films on atomic tests in Nevada.

Winkler & Co. Names Black

Ronald L. Black has joined Winkler & Co., New Orleans agency, as casualty manager. He started in insurance with Black, Rogers & Co., general agents of Maryland Casualty in New Orleans, and became casualty manager in 1951. Following the death of his father, Mr. Black was made a partner in the firm. When Black, Rogers & Co. sold out to Maryland Casualty earlier this year, Mr. Black was named casualty manager of the Maryland Casualty branch.

Nobody Wins the \$5,000

Walter M. Lafayette, local agent, and Sam G. Peters, state agent of London & Lancashire, won top honors at the annual outing and golf tourna-

ment of New Orleans Insurance Exchange. Mr. Lafayette won the low score golf prize, but the \$5,000 hole-in-one prize, covered by a special risk policy through London Lloyds, went unclaimed. Mr. Peters won the horse-shoe championship for the second consecutive year.

Martin to Atlanta for North British

North British has named Freeman E. Martin superintendent of the inland marine department at Atlanta succeeding H. M. Dickerson who has resigned.

Padgitt Transferred to Head Office of Home

Newton Padgitt, assistant secretary of Home at Dallas, has been transferred to the head office where he will supervise country-wide ocean cargo and hull division underwriting operations. He joined Home in 1935, was in charge of marine operations for Louisiana, Mississippi, and Alabama, and in 1953 was elected assistant secretary and transferred from New Orleans to Dallas to supervise production in five southern states.

Sherburne Retires from Great American

Roy W. Sherburne, executive agency superintendent of Great American, has retired after 32 years in insurance. He will be succeeded by Howard D. Hendricksen, formerly agency superintendent.

Prior to his recent position, Mr. Sherburne spent a number of years as a special agent for Great American in Indiana and prior to that traveled in Wisconsin and was an examiner in the western department.

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NEWS OF FIELD MEN

St. Paul F.&M. Group Names 4 to Field Posts

St. Paul F.&M. group has made several field appointments as a result of retirements and expansion.

State Agent Morris Toussaint has been promoted to manager for Iowa to succeed Henry P. Martin, who retired. Mr. Martin joined the company at the home office in 1913. He was later named a fire underwriter and in 1937 was promoted to state manager for Iowa. Mr. Toussaint joined the companies in 1927, was and later became state agent.

In South Dakota, Harlan R. Martin succeeds N. P. Wenge, who also retired. Mr. Wenge joined the companies in 1924 as a special agent. He was named co-manager in South Dakota in 1932 and manager in 1947. Mr. Martin joined St. Paul F.&M. in 1947 as a field man in Kansas and was named associate manager in South Dakota in 1955.

W. R. Ramsey Jr. has been named state agent for North Carolina with headquarters at a newly-established field office in Raleigh. Mr. Ramsey joined St. Paul F.&M. in 1931 and has been at the home office until his recent appointment.

James O. Vincent has been named special agent for southern Mississippi. He will have headquarters at Jackson and work with State Manager J. L. Ross.

A. E. Bulau to Speak at Ind. Field Rally

Alwin E. Bulau, assistant secretary of Home, will be the principal speaker at the annual convention of Indiana Fire Underwriters Assn. at Maxinkuckee Inn, Culver, Ind., June 13-15. Mr. Bulau's subject will be "Advertising and Public Relations." Other highlights of the meeting will be the banquet and dance June 14, and the president's address by Wilbur Scott, manager for the Home in Indiana, who is the outgoing president of IFUA.

William H. Hull, London & Lancashire, is general chairman of the meeting.

Barlow Joins New Zealand in Rocky Mountain Field

Robert L. Barlow has been named a special agent for New Zealand in Colorado and Wyoming. He succeeds J. T. Ubran Jr., who joined Great American.

Mr. Barlow was an adjuster and field man for the Daly general agency of Denver for 10 years and prior to that had been a safety engineer for Remington Arms and an engineer and auditor for Atwell, Vogel & Sterling, audit and inspection firm.

Agricultural Names

Jones to GA. Field

Agricultural has appointed Charles L. Jones Jr. special agent in Georgia at Atlanta. He will work with N. B. Browne, state agent. He was formerly special agent of American Surety in Georgia.

Rebel to Traders & General

Joseph H. Rebel has joined Traders & General as a special agent for the Rocky Mountain territory. He was formerly with Merchants of Denver.

Ohio Blue Goose Elects Baldwin at Annual Meet

Rex G. Baldwin of Home was elected most loyal gander of Ohio pond of Blue Goose at the annual meeting in Columbus. He succeeds Wade Wissler of Aetna Casualty.

Other new officers are: James J. Work of Ohio Farmers, supervisor; Robert E. Sewell of Royal-Liverpool, custodian; R.S. Landen of Landen Adjustment, guardian; Paul E. Smith of American, keeper, and Ralph Hartwell, retired Factory Association field man, welder. The officers were installed by MLGG Robert Wiseman of Washington, D. C.

Al Snow of Camden was named general chairman for the pond's 50th anniversary meeting, which will be held in May, 1957.

Travelers Makes 17 Changes in Field

Travelers has made 17 appointments in casualty, fidelity and surety, fire and marine lines in branches across the country.

Frederick D. Herlihy, field supervisor at Manchester, N.H., has been named assistant manager. George E. Patterson, fidelity and surety superintendent at Cleveland, has been appointed assistant manager. John F. Dickey, assistant manager of fidelity and surety, has been transferred from Minneapolis to Cleveland, and Stephen G. Borstad, assistant manager at Omaha has moved in the same capacity to St. Louis.

William C. Eickhof Jr., who has been at Chicago, has been appointed fidelity and surety manager at Oklahoma City. Raymond F. Neff, field supervisor of fidelity and surety as Charlotte, N.C., has also transferred to Oklahoma City.

Appointed field supervisors are Donald R. McDonald at Hartford, Henry C. Straub at St. Louis, Harry A. Richardson at Manchester, N.H., James G. Dailey at Birmingham, Donald P. Moore and Allan H. Wiggenshorn at Los Angeles and Rufus A. Caldwell and David C. Minter at Richmond.

Wayne Shaw, fire and marine field supervisor at Dallas, has been named assistant manager there. Named fire and marine field supervisors are Willard Hansen at Chicago, Kenneth R. Ralston at Louisville and E. Glen White at Hartford.

National Capital Pond Elects Nussbaum MLG

National Capital Pond of Blue Goose has elected Frank E. Nussbaum of Home MLG at its annual meeting in Washington, D. C. Others named were John Brenner of General Adjustment Bureau supervisor, Lawrence J. Esten of Pearl Assurance custodian, J. A. Perkins of Robert W. Green Adjusters, guardian, William C. Noell of Mutual Fire of Washington keeper and James A. Buzard of Firemen's of Washington welder.

W. Va. Pond Names Warek

West Virginia Pond of Blue Goose has elected J. P. Warek of Hanover MLG, W. T. Nickerson of Allied Adjusters supervisor, C. C. Eaton Jr. of New Hampshire custodian, C. H. Pike of Alfred Paul General Agency welder, J. W. Campbell of Fred Campbell &

Son guardian and Turner L. Sturm of Ohio Farmers keeper.

The Pond's auxiliary has named Mrs. W. T. Nickerson president, Mrs. John Shannon vice-president, Mrs. Edwin Higgins secretary and Mrs. Turner L. Sturm treasurer.

Dunn to Retire, Simon Named to Wash. Post by Springfield F.&M.

Hugh C. Dunn, who for many years has been in charge of Seattle office and the western Washington field of Springfield F.&M. group as superintendent of agencies, will retire July 1. He has been with Springfield for 36 years, starting in 1920 as special agent at Butte. In 1927 he was transferred to Seattle as superintendent of agencies.

Virgil C. Simon has been appointed state agent and will succeed Mr. Dunn. He has been in the Oregon field and before that was with Oregon Rating Bureau.

Cincinnati Puddle Enters Era of Revitalization

Blue Goose members in Cincinnati are attempting to increase interest in puddle activities. The organization there, formerly known as the Miami puddle, has been changed to Cincinnati puddle, a slate of officers elected and plans laid for a number of functions.

W. H. Otting, American Automobile, is big toad; D. W. Greig, Western Adjustment, pollywog; G. D. McQuain, Atlas, croaker, and H. B. Pence, American, bouncer.

Mr. Pence has been assigned chairmanship of the September outing run jointly by Ohio Blue Goose and Cincinnati Underwriters Assn.

Among the reorganized puddle's plans are events to entertain ganders' wives.

Springfield F.&M. Group Makes Two Field Changes

Springfield F.&M. group has promoted Ralph T. Warner from special agent in Kansas to state agent for Iowa. He will have headquarters at Des Moines. Before joining the Springfield group, Mr. Warner was with Iowa Inspection Bureau.

Joseph D. Shinko, formerly an underwriter in the western department, has been named Kansas special agent. He will work with State Agent Deane Jaeger and have headquarters at Wichita.

Hartford Pond, Blue Goose, Elects Geis

Hartford pond of Blue Goose elected Lewis Geis of Commercial Union MLG, Andrew Carlin of National Union supervisor, William S. Davis of London & Lancashire custodian, Rod Nicholson of Aetna Casualty guardian, Carl L. Plock of L.&L.&G. keeper, and Gordon F. Crowther of Factory Insurance Association welder.

Webster to Ind. Field

Fidelity & Deposit has named Henry W. Webster Indiana special agent at Indianapolis. He was formerly at Boston and at the home office.

Minn. Speakers Club Elects

Kenneth E. Hawkins, Crum & Forster, has been elected president of Minnesota Insurance Speakers Club, sponsored by Minnesota Fire Underwriters Assn. Harold H. Brockopp, Home, is vice-president, and Carroll Ahlstrand, Crum & Forster, is secretary-treasurer. The group had its annual meeting and banquet at St. Louis Park, Minn.

Martin Retires as Iowa Manager for St. Paul, Toussaint Successor

Morris Toussaint has been appointed state manager in Des Moines for the St. Paul F.&M. He succeeds Henry P. Martin, who is retiring after 43 years with the company.

Mr. Toussaint joined the company at the home office in St. Paul in 1927 and went to Des Moines as a special agent in 1941. Mr. Martin joined the company at St. Paul in 1913 and became manager at Des Moines in 1937.

3 Wis. Field Groups to Meet June 19-22

John G. McFarland, vice-president and western department manager of American, will be the speaker at the annual meeting of Wisconsin Fire Underwriters Assn. at Maxwellton Braes, Baileys Harbor, June 20-21. In addition to committee reports and election of officers, the group will hold its annual golf tournament and banquet.

Wisconsin Home Nest of Blue Goose will hold its initiation and annual outing at the same place, June 19, and Wisconsin Fire Prevention Assn. will meet Thursday at the conclusion of the fire underwriters' session.

American of N. J. Names Young Field Executive

American of Newark has appointed John P. Young III assistant field supervisor in North Carolina, South Carolina and Virginia at Greensboro, N. C. succeeding Macon R. Crocker who advanced to manager of the southeastern department at Atlanta. West Virginia, formerly supervised by Mr. Crocker, will be handled by Curtis F. Eagle, field supervisor at Dayton, O.

Mr. Young joined the company in 1946, became a casualty underwriter at Cleveland in 1948, was promoted to casualty underwriting superintendent at Greensboro in 1950 and became a special agent in North Carolina in 1953.

Sacramento Valley Field Club Elects Girdler

Gary Girdler of the American Home general agency was elected president of Sacramento Valley Field Club at the annual meeting in Sacramento.

Other new officers are: Robert Watkins of Glens Falls, 1st vice-president; West Brown of Brown Brothers Adjusting, 2nd vice-president, John Worcott of National of Hartford group, secretary, and Ronald Muenster of Springfield F. & M. group, treasurer.

Speakers during the educational portion of the meeting were John W. Cowee, insurance professor at the University of California, and A. S. Dorsey and George Thomas, both of United Pacific.

Smoke & Cinder Club Has Catastrophe Plan

Smoke & Cinder Club of Western Pennsylvania has approved a catastrophe operations plan patterned after that of National Board's 10-step adjustment procedure.

Landman to Ind. Field

Fire Association has appointed Wilson R. Landman state agent of central and southern Indiana at Indianapolis.

Marshall Still with Phoenix-Conn.

J. Max Marshall, state agent for Phoenix-Connecticut group in Kansas, was erroneously identified as a field man for Hartford Fire in a story

on the election of Kansas Fire Underwriters Assn., which appeared in the May 24 issue.

Uhran Joins Great American in Colo., Wyo. Fields

John T. Uhran Jr. has been named a special agent for Colorado and Wyoming for Great American. He will have headquarters at Denver and will work with State Agent Harry C. Maltby and Special Agent Charles C. Carothers.

Mr. Uhran was formerly a special agent for New Zealand in the same territory. Prior to that he was with Mountain States Inspection Bureau.

American Names Two to Midwest Field Posts

American has named Victor E. Kraft a special agent for northern Wisconsin and northern Michigan and John E. Curran a special agent for southeastern Iowa and Rock Island county, Ill.

Both men have had previous insurance experience.

Albany Field Club Elects Howard Sargent

Albany Field Club has elected Howard Sargent of New Hampshire president, Joseph H. Nixon of America Fore vice-president, Roger Fritz of Fire Association treasurer and Louis Moulton of Boston secretary. The annual golf outing will be held June 15 at Normanside country club, Elmsmere, N. Y.

Shippo to Home Office of Aetna Casualty

Aetna Casualty has named Frazier P. Shippo field supervisor in the casualty claim department at the home office. He joined the company in 1939 as a claim representative, was a zone superintendent for four years and became assistant superintendent of the Indianapolis claims office in 1953.

Mass. Field Men Elect McCarthy President

Bay State Club, Massachusetts field organization, elected Clyde F. McCarthy of American of Newark president, Thomas F. O'Keefe of L.&L.&G. vice-president, Arthur C. Foote of North British secretary and Kenneth J. Langer of Phoenix of Hartford treasurer.

Collins to Fla. Field for Atlantic Group

Atlantic group has appointed George W. Carter special agent in Florida in a move to expand fire and marine operations there. He will be under direction of Earl C. Thompson, manager of the Charlotte, N.C., branch.

Anthraxite Fire Underwriters Club of Pennsylvania marked its 25th anniversary with a dinner and reception in Scranton. Elmer Eggert, state agent of Home, was toastmaster.

Madison A&S Group Seats Officers

Dale B. Potts, president of Wisconsin Assn. of A.&H. Underwriters and executive vice-president of Wisconsin Casualty Assn., spoke and installed new officers at the May meeting of Madison (Wis.) A&H Assn. Officers are Harold Fair, president; Richard V. Burns and C. F. Kroneman, vice-presidents, and Barbara Salisbury, secretary-treasurer.

Wisconsin A&S Sales Congress

West Central Wisconsin A.&H. Underwriters Assn. held a one-day sales congress at La Crosse. Members of Northwest Wisconsin association, Eau Claire, were guests.

A & S

Hanna Terms Public Scrutiny of A&S the Price of Maturity

"The spotlight of public opinion on the A&S industry has provided an unprecedented opportunity for further expansion and service and at the same time increased the public awareness of the necessity for adequate A&S coverage," John P. Hanna, general counsel of Health Insurance Association, pointed out in his address at the annual banquet of Chicago A&H Assn. More than 150 members and guests attended the banquet.

"Everyone, from agency manager to President Eisenhower, has recommended more voluntary accident and health insurance as a solution to the financing of disability costs," he said.

"A business which affects the lives and happiness of so great a majority of the American people must expect to be under constant scrutiny by the public—that is the price of maturity," Mr. Hanna said. "We must expect the medical profession, hospitals, consumer groups, state legislatures and Congress to be intensely interested in our solution to the problem of financing the cost of medical care. We can expect to be the target of public criticism, some justified and much unjustified. We can expect to have the character of our great business judged by some persons on the basis of the misdeeds of a few companies or a few agents."

Mr. Hanna said that free, fair and keen competition in the A&S business has been in the public interest and has been a major factor in the industry's progress. "A business which has almost reached the \$3 billion mark can no longer be considered a growing adolescent in the business world. Ready or not, we must assume a posi-

(CONTINUED ON PAGE 31)



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Evans to Succeed Moore in London for Phoenix of London

D. J. R. Evans has been appointed manager of Phoenix of London at the London home office to succeed W. R. Moore who will retire June 30 after 47 years with the company. T. H. Hodgson has been named deputy manager to assist Mr. Evans.

Mr. Evans was foreign fire superintendent, South Africa manager and assistant manager at the home office before his current appointment. He won the Morgan Owen award of Chartered Insurance Institute in 1948 for his essay *Post War Reconstruction of British Insurance in Europe and the Far East*.

Mr. Hodgson started with the group in the actuarial department, transferred to the fire department, and later became fire superintendent and assistant secretary.

Boston Names Sexton Regional Manager

Boston has named H. Bradley Sexton Jr. regional manager of Delaware, Maryland, Pennsylvania, West Virginia and District of Columbia. He joined the company in 1947 and was appointed marine manager at Philadelphia a year later.

American Casualty Names Kreher New York V-P

American Casualty has appointed James C. Kreher resident vice-president at New York. He joined the company in 1951 as resident manager at New York.

Tex. Board Sets Hearing

Texas Board of Commissioners has scheduled its annual hearing at Austin, June 20, on revisions in rates and rules on all lines of insurance under the jurisdiction of the fire division other than cotton warehouses, compresses and yards.

Book Tells How to Lower WC Costs

Liberty Mutual has published a new booklet, *A New Way to Reduce the Cost of Workmen's Compensation Insurance*, describing the four components in the company's successful medical and health program—an in-plant medical plan, an industrial hygiene program, a medical advisory service and a rehabilitation program.

Rating School at Cincinnati

Cincinnati Underwriters Assn. has scheduled a week-long fire and casualty rating school for agents and office personnel. The school is set for Sept. 10 to 14 and will be held at the University of Cincinnati. The fee, which includes meals and sleeping accommodations, is \$68.50.

Western Group Installs IBM 650

Western Fire and Western Casualty of Fort Scott have installed an IBM-650 electronic data processor at the home office of Fort Scott, the first such installation by an insurance company in the area. The machine has several features which facilitate self-checking for errors.

Forum Discusses Administration of N.Y. Compulsory Law

NEW YORK—Joseph P. Kelly, commissioner of motor vehicles of New York, promised that no final policy decision on compulsory auto insurance will be made until the business is consulted, in a panel discussion before 150 members of Greater New York Insurance Brokers Assn.

"We are going to make it as easy as possible for you to live with it without sacrificing any of the power or intent of the law," he said.

Other members of the panel, which dealt with administration of the new compulsory measure, were Julius Wikler, deputy superintendent of the New York insurance department, and Joseph F. Carlino, state senate majority leader.

Mr. Kelly said his bureau wants to put the law into effect with the least possible inconvenience to the business. He said the state, the bureau, the business and the producers must make the law work because the rest of the nation is looking to New York for leadership.

Mr. Kelly said it was premature to give detailed information as to the mechanics of the law's operations. He added that his bureau is still conferring with National Bureau of Casualty Underwriters and other business organizations on technicalities.

After 1957, if insurance lapses for one day, the bureau is required to revoke registration plates immediately, he said. "There's no question but that this law plays for keeps," Mr. Kelly asserted.

He said the new law is workable though not perfect. It still fails to protect the hit and run and stolen car accident victims. However, before adopting amendments, he urged the legislature to shore up its safety and traffic laws and to provide the MV bureau with more examiners and funds.

Mr. Wikler said the most feasible method of public education is through the producers. The public must be alerted that failure to comply with the new law constitutes a misdemeanor.

He said the department's most important duty under the compulsory measure is to propose legislation to iron out problems which undoubtedly will arise. One such problem is lack of a provision for the person who cannot obtain regular or assigned risk cover, but who still has a right to drive.

Mr. Carlino urged cooperation and understanding in the law's administration and called it a frontal attack against the increasing accident rate in the state.

"It is workable—you can live with it," Mr. Carlino declared.

In answer to a question, the panel pointed out that the law prohibits non-admitted insurers from insuring New York residents' cars, but allows them to insure non-residents who work in the state. The panel was uncertain as to procedure in the case of an assigned risk who is unable to obtain cover from an admitted insurer but can do so from a non-admitted company.



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Yes, Buckeye Union is a real agency company, and we're going to keep it that way.

If you'd like to get some more information about our commission schedule—if you'd like to hear how our Safety Engineering Department can help you secure and keep business—if you're an agent in Ohio, Indiana, Michigan, Pennsylvania, West Virginia or Kentucky and are interested in representing an agency-minded capital stock company with multiple-line facilities—I invite you to contact our Branch Office nearest you or our Agency Superintendent.

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PRESIDENT

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FTC 'Nullification' of State Power Could Be Political Issue

WHITE SULPHUR SPRINGS, W. VA.—The federal trade commission "nullification of state regulatory power" in ruling that the states have no power to regulate interstate commerce in insurance "could become a political issue," Eugene M. Thore, general counsel of Life Insurance Assn. of America declared at the annual meeting here of Life Insurers Conference.

The insurance business is of the opinion that the FTC majority opinion is erroneous, he said, because the McCarran act clearly authorizes the states to regulate interstate commerce and has been so interpreted by the Supreme Court, and the FTC majority opinion renders meaningless a proviso of the McCarran act stipulating that the FTC act "shall be applicable to the business of insurance to the extent such business is not regulated by state law."

"In enacting the McCarran act, Congress must have intended that the states have some power to regulate practices covered by the FTC act, which applies only to practices in interstate commerce," said Mr. Thore. "Yet the FTC majority maintains that the states have no power whatsoever to regulate interstate commerce. Thus according to FTC the states would have no power to regulate interstate commerce, the only commerce which is within FTC authority. This illogical view precludes any state regulation which would affect FTC jurisdiction and so far as the FTC act is concerned the proviso of the McCarran act would be completely meaningless."

"The key provision of the McCarran act is the central legal issue. Obviously the FTC majority is claiming a very broad power over the insurance business. Commissioner Mason states in his dissent that the power asserted by the majority extends far beyond advertising and would sanction FTC regulation of many aspects of the insurance business. This then is a crucial legal controversy, probably the most important federal regulatory issue that has arisen since the SEUA decision. The FTC nullification of state regulatory power could become a political issue."

O'Malley Joins Beverly & Pause

John J. O'Malley has joined the Chicago law firm of Beverly & Pause to specialize in insurance. Mr. O'Malley has been a trial attorney in the tort division of the corporation counsel of Chicago and also has been a member of the three-man settlement committee which passed on all settlements affected by the torts division of the city. Before going with the legal department of the City of Chicago, Mr. O'Malley was with an insurance company.

Rouse Opens Own Adjusting Firm

T. E. Rouse, formerly with General Adjustment Bureau at San Jose, Cal., has opened his own adjusting firm there. Mr. Rouse, who has more than 13 years experience as an adjuster, will specialize in fire and inland marine losses.

Pa. Law Permits Cover on Money

Gov. Leader of Pennsylvania has signed a bill authorizing the state department of revenue to buy insurance on currency, money, all types of negotiable instruments and tax stamps.



From the diary of an Agency Secretary



One . . . two . . . three . . . oh, dear! I'm so excited I've simply lost track of how many days now before I take the train for Philadelphia and the formal opening of PLM's new Home Office building. Anyway, the date is Wednesday June 13; and Mr. L's already teasing me about my being PLM's hostess with the mostes'. But I don't care; I am thrilled at the chance of meeting and greeting so many good agents and their better halves. Seems like I'll just never be ready—so much lengthening and shortening and pressing and wondering if I'm going to look all right. I might almost be getting married . . . Goodness, what am I saying . . .

MR. LOCAL AGENT

Last call! Maybe when this reaches you you'll already be about to shove off for Atlantic City to attend the convention of the National Association of Mutual Insurance Agents. If so, then we hope you're planning to visit us in Philadelphia. We're holding Open House and have arranged an all-expenses-paid trip from Atlantic City to our new PLM Building, including luncheon. We're naturally proud of this new Home Office of ours and want you to see the last-word facilities we've set up to handle your business. The date: Wednesday June 13. Please come!

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Bredell New President of Vernon Casualty and Vernon General

Harold H. Bredell, an Indianapolis attorney, was elected president and treasurer of Vernon Casualty and Vernon General at the recent annual meeting of the companies. Mr. Bredell, who has been secretary-treasurer of the companies for many years, succeeds Theo. G. Harris as president. Mr. Harris resigned to pursue business interests in his home of Connorsville.

Paul E. Jack was reelected vice-president of the companies, and James Redmond secretary. Mr. Redmond has been claims manager for several years.

In addition to Mr. Harris' resignation, O. K. Van Ausdall, C. F. Farrar, George G. Rose and Wayne L. Thieme have all left the boards. Mr. Van Ausdall had been chairman. These directors were not replaced. The net result is a smaller nine-man board, but with no new people on the board.

The new president reported an increase in writings for 1955. He also hailed the acquisition of the companies' new office building as an important development during the year.

Relicense 1,219 Insurers in Texas, 94 Refused

AUSTIN—Texas board of insurance commissioners refused licenses to 34 Texas companies last week, bringing the total of insurers not relicensed under the solvency check program to 94.

The board had relicensed a total of 1,219 companies as of May 31, the end of the fiscal year. Only 6% of the Texas companies by number were put out of business during the check on solvency, very close to the prediction of Chairman J. Byron Saunders that 95% of the companies would be found to be in good shape.

Of the 94 companies not to receive licenses, 35 were mutual assessment insurers, 29 were life insurers, 19 burial associations, 4 fire and casualty

multiple line writers, 3 loan and trust, 1 title and 1 Lloyds. Actions taken against them or pending are: Show-cause hearings pending, 40; show-cause issued, 1; reinsured, 26; plan reinsurance, 4; in receivership, 9; conservators appointed, 5; certificates surrendered, 4; plan dissolution, 4, and dissolved, 1.

Dallas Insurance Club Ruled Social, Not Civic, Therefore No Tax Refund

Federal Judge William Atwell at Dallas turned down a \$45,711 tax refund plea from Insurance Club of Dallas, ruling that the club is a social and not essentially a civic organization. Several club members testified that the club was a civic organization which operated with the interests of the city of Dallas at heart, therefore entitling it to a tax refund.

Texas liquor control board inspector T. W. Franklin told the court that the insurance club owns a retail dealers liquor license and operates what in effect is a package liquor store on the organization's premises in a hotel in downtown Dallas. The government contended that the insurance club made more than \$25,000 in profits from liquor sales in a two year period.

Employers Names Callan Assistant Unit Manager

Employers group has appointed Francis X. Callan assistant superintendent of the home office boiler and machinery department.

Mr. Callan joined the group in 1950 and worked in the New England department of the steam boiler division as a senior underwriter.

Sanders Named Chief Deputy in Tennessee

Currey Sanders, deputy commissioner of the fire and casualty rating division, has been named chief deputy commissioner of the Tennessee department, succeeding T. E. Miles, who resigned to become executive vice-president of Capitol Life of Nashville. Mr. Sanders has been with the department for 25 years.

Morrison Gives Case for Combining WC and Liability Covers

LOS ANGELES—The position of Industrial Indemnity on the question of combining workmen's compensation and liability insurance in a package policy was presented to Insurance Brokers Exchange of California at a southern district meeting here by Vice-President Joseph F. Morrison.

The concept behind the development by Industrial Indemnity of such a contract, Mr. Morrison said, was that there is an obligation upon California companies to develop progressive solutions to the needs of the buyers, that the rating laws are designed to encourage companies to meet this obligation with clear latitude for use of judgment, and that there is a desire and need for policyholders to be able to purchase protection on the simplified contracts at a low price. After experimenting for about a year with endorsement providing liability insurance on a WC policy, it became evident, he said, that it was practical to combine such coverages and that it would be both practical and justifiable to give rate discounts to reflect expense and loss savings resulting from this combination.

"Not everyone agrees with these views," Mr. Morrison admitted. Industrial Indemnity has no antagonistic position on the matter, however, he declared. The issue has been stated as whether an endorsement attached to a policy of workmen's compensation or any other kind of policy must be germane to the subject of the insurance covered by the basic policy. Historically, WC has been governed by statutes applicable only to it, and it must be recognized that the WC rate regulatory statute is very specific and there is every reason to conclude there is theory underlying it and the McBride-Grunsky act (the California rating bill) are totally different. "I believe that it is sincerely argued by

our opponents that this is so because of the social nature of workmen's compensation and that such concept is minimum rate regulation, designed specifically to protect the financial integrity of payments to those entitled to them should imply that the separateness of workmen's compensation should be maintained. While disagreeing with this, we, at least, salute an honest difference of opinion."

Martin Argues Against Bill to Separate State, Commissioner Posts

BATON ROUGE—Wade O. Martin Jr., Louisiana secretary of state and insurance commissioner made an appearance before a senate committee to oppose the measures which would create a separate insurance department and make Mr. Martin secretary of state only. Mr. Martin's statement and supporting testimony of some Louisiana insurance men prompted the committee to delay action on the proposal.

Mr. Martin emphasized that 90% of the voters picked him for secretary of state and insurance commissioner in the January election, the largest vote ever received by any Louisiana political candidate. He criticized the bill, saying it would relieve certain companies of paying premium taxes, would abolish Louisiana Rating & Fire Prevention Bureau, would prescribe no qualifications for the commissioner or his staff, and would make the office of commissioner appointive. It could result in putting the Louisiana insurance code in the scrap heap, he contended, "while causing the tax payers of Louisiana to lose over \$6 million of tax money annually and while inducing federal regulation and taxation of the business."

Mr. Martin said he is preparing a bill to relieve the secretary of state of being chairman of the insurance rating commission, urging that the latter post be made appointive by the governor.

National Union Expands New England Operation

National Union has opened new offices at 89 Broad street, Boston, to expand multiple line service in New England. Heading the new branch are Charles Chase and Robert Knowles, associate manager, and Harry Steele, assistant manager.

Small to N.Y. Claim Unit of Employers

Employers has appointed Joseph G. Small assistant superintendent of the New York claim department. Previously was supervisor of claim offices in Buffalo, Rochester and White Plains, N.Y.

Publish New Handbook for Northern Cal. and Nevada

A new hand-book of Northern California and Nevada has been published by The National Underwriter Co. It provides complete and up-to-date information on agencies, brokers, companies, field men, general agents, groups and other organizations affiliated with insurance throughout Northern California and Nevada. The dividing line in California is at Kern and San Luis Obispo counties. Another hand-book covering Southern California and Arizona will also be published in August. Copies of both hand-books may be ordered from The National Underwriter Co., 420 East Fourth street, Cincinnati, 2, Ohio. The price is \$15 for each book.

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(CONTINUED FROM PAGE 13)

chine we had selected. We knew that with our volume and with our different classes of business, the capacity of the machine would not enable us to go as far as we would like to. We pointed our sights then at that portion of our business which had fewer exceptions and which represented the lion's share of the volume. We settled on our private passenger automobile business, which represents more than 90% of our policies in force, as that phase to which we would attempt to apply the principles of selective underwriting."

The company made up codes for the following points as revealed in its insurance applications:

1. Name of insured—whether single individual, husband and wife, or all others.
2. Residence address—whether city with street address, city alone or rural, or all other.
3. Mailing address—whether same as residence address, or all others.
4. Years with employer—whether no employer, one year and under, or over one year.
5. Purchase date—month and year.
6. Make and body—whether sports, foreign, or all others.
7. Cost of car.
8. Financed—whether financed and number of terms of finance, or not financed at all.
9. Amount of lien.

Also, 10. Other insurance—whether no other insurance, insured for different coverage, or other insurance with same coverage.

11. Lienholder—whether no lienholder, lienholder is bank, or all others.

12. Number of cars in household.

13. Number of cars insured with State Farm.

14. Principal driver—whether male or female.

16. Birth year of principal drivers.

17. Other drivers as to under 25 or over 65 years.

18. Principal driver or any driver with physical defects.

Also, 19. Principal driver or any driver with accident record.

20. Principal driver or any driver with a previous cancellation by another insurer.

21. Principal driver or any driver with a license revocation.

22. Miscellaneous remarks as respects principal driver or any driver.

23. Effective date in relation to present processing date.

24. Coverage combination—whether eligible coverages or not.

25. Agent of record.

26. Occupation.

27. Liability limits.

28. Year model.

Taking these features which have been coded, the machine performs the selective underwriting procedure by a series of calculations on certain of the items. On others, certain information will be stored and a comparison or test made from the facts fed in from the punch card in relation to what is stored in the machine.

"When applications are being coded for selective underwriting purposes, we emphasize the point that those applications which obviously are ineligible or undesirable should be referred immediately to the head underwriter for cancellation. This action is determined on the basis of the internal ineligible or undesirable risk list which is in use. It is at this point, however, that we insert a caution so as to prevent those who are determining and applying codes from making such a complete analysis of the risk as to perform the same operation as a true underwriter would perform. The only reason that a coder would route an application for immediate cancellation is because the applicant is obviously ineligible or undesirable. This does not mean that every case that may be un-

desirable the application should be given an immediate thorough investigation: To do so would simply defeat the program entirely. There are plenty of checks within the machine to 'catch' cases that are even close to undesirability.

"The people we have selected to head and supervise the coding unit in an underwriting section are those who have at least a basic knowledge of and understanding of our underwriting principles. These supervisors report directly to the underwriting superintendent, who is the head underwriting man in what we call an operating division. This code supervisor knows the various endorsements and when and where they are to be used. In case of doubt, he seeks the counsel and advice of the underwriting superintendent. In addition, if the code supervisor has reason to believe that a fully trained underwriter should take a look at the risk either before or after the policy is issued, she can so mark the file or indicate it by coding a 'remarks' or 'miscellaneous' code we have set up. For example, if feebleness is detected in the signature of the applicant, the remarks code is coded 'I' to cause the file to be returned to the underwriter after the machine has made its regular tests.

"How the machine goes through its paces and either passes a risk on the various tests or indicates a rejection on the basis of one or more tests, is determined by our programmers through close working relationship and cooperation with our underwriting experts.

"When a machine goes through its paces insofar as the selective underwriting process is concerned, indicative punches are made as to whether the risk passes or fails to pass any of the tests made. If a reject punch is made in any one test, the machine goes on and completes all tests. In this way, when the underwriter sees the file he immediately sees what features or tests the machine rejected the risk on. If the risk passes all tests, an indicative punch is made and unless the file has been previously marked 'return to underwriter,' the underwriter never sees the application at all."

Some may doubt the wisdom of an underwriter never seeing each application, Mr. Marquardt comments. "But the machine will definitely not make a mistake if true facts are given it. Actual cases run through under any given set of circumstances soon prove the versatility and reliability of the machine."

The system is completely flexible, according to Mr. Marquardt. "There is no rigidity of operations. As underwriting standards or procedures change, the programming can be changed. The company is not stuck with the first set of standards."

"After the machine gets through doing its work, we develop three different groupings of work insofar as the underwriting aspect is concerned. There is that group that has passed all the tests we have asked the machine to make; the underwriter never sees these applications. There is another group on which policies have gone out, but there is some reason why an underwriter should look at the results of the tests so he can exercise personal human judgment and decision. There is also a group which the underwriter instructed given the coding supervisor he wanted to see before the policy was

issued. A fourth grouping consists of those we have decided, in view of the limited storage capacity, not to have the machine underwrite at all. These are cases of commercial trucks, school buses, and general liability applications. The machine will automatically rate those risks but will not underwrite them."

N. Y. Board Adds Three Directors

New York Board has appointed as new directors Philip W. Barnes, vice-president of Fire Association; Albert E. Mezey, president of Mezey agency, and T. Morgan Williams, vice-president of Home.

Fireman's Fund Names Rubens

Fireman's Fund has named Albert M. Rubens to the auto-casualty underwriting staff in the Pacific department. Mr. Rubens was assistant manager of casualty operations on the Pacific coast for Security-Connecticut from 1947 to 1955 and underwriting manager for Argonaut from 1955 to 1956.

Traber agency at Natchitoches, La., is marking its 50th year in insurance. Oscar and Richard Traber and Mrs. Margie L. McLamore make up the agency staff.

Nationwide to Begin Mich. Operations

Nationwide will begin operations in Michigan this month as part of its move toward national expansion. Its early activity will be limited to personal life and A&S lines.

Michigan is the first state added to the company's operating territory since it changed its name last year.

Zane Jones, formerly regional sales manager for the company's Philadelphia region, will head the Michigan sales program. He will handle recruiting and training of agents for the territory. In addition to new agents, the company will invite agents of Mutual Income Foundation, an associate, to handle the life and A&S coverage offered by Nationwide.

Liberty Mutual Names Merritt V-P

James H. Merritt, San Francisco, has been appointed an assistant vice-president of Liberty Mutual. He is underwriting manager for the Pacific division.

He joined the company in 1931, and since 1935 has been at San Francisco.



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stock, furniture and fixtures for retailers, wholesalers and distributors. MBP replaces, in ONE convenient policy, insurance coverages which usually require six or more separate policies. (1. Fire and Extended Coverage; 2. Merchandise Theft or Burglary; 3. Merchandise in Transit; 4. Sprinkler Leakage; 5. Water Damage; 6. Salesmen's Samples)

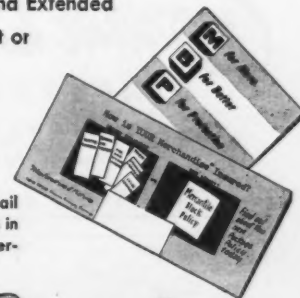
Advertising circulars, blotters and return mail cards are available on request for agents in states where the writing of the MBP is permitted. Please write to:

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Atlantic Mutual to Have new H. O.

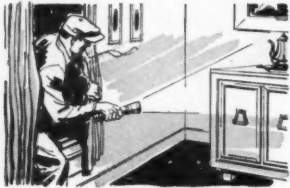
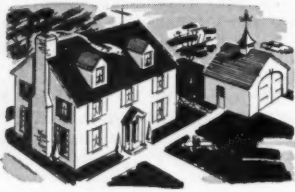
The present sites of Atlantic Mutual and United States Trust Co. in New York's financial district will be demolished and merged into a new 27-story building at 45 Wall street, ready for occupancy late in 1959.

The two companies have made arrangements to sell their adjoining properties at 45 and 49 Wall street to Metropolitan Life which will demolish the old structures and erect the new

building with 370,000 square feet of office space. The two companies will then become major tenants of the new-building. Demolition of the building will start late this year.

The existing Atlantic Mutual building was erected in 1901 and was Wall street's first skyscraper. The United States Trust Co. structure was built in 1889. During construction Atlantic Mutual will shift its metropolitan underwriting departments to 156 William street and the balance of the staff to the former John Wanamaker's store on Eighth street.

2-WAY SAVINGS for Homeowners and Tenants



THERE ARE FEW protection needs of homeowners and tenants that can't be met through use of the residence package policies. The quick acceptance of the "all-in-one" policy has, in fact, opened up the whole field of the residence and personal lines to agents who do the systematic promotion and contact work that is required to inform and sell these groups.

With the Homeowners and Comprehensive Dwelling Policies, Grain Dealers' agents have the

package contracts that give these buyers the broader, economical protection they want. They can offer the added advantage of the two-way savings that our package policies provide: Savings through low initial cost, and savings through policyholder dividends. It adds up to a "package" that's hard to top!

Why not talk to our special agents now about ways that Grain Dealers' multiple-line facilities can be used to round out your agency services.

Grain Dealers Mutual

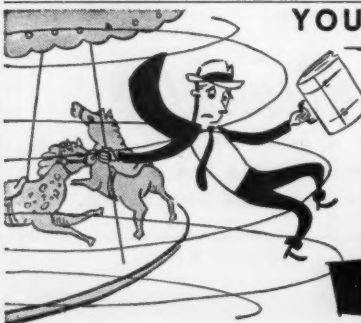
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Install Heffernan As N. Y. Deputy

James G. Heffernan, Mechanicville attorney, has been sworn in as New York deputy superintendent of insurance in charge of the Albany office.

Mr. Heffernan, elected mayor of Mechanicville on a non-partisan ticket in 1953, is a former attorney for the city and the school district. He has practiced law since 1930.

GAB Makes Changes in Pacific Department

General Adjustment Bureau has made several promotions, appointments and branch changes in its Pacific department.

Philip G. Simkins, branch manager at Pocatello, Ida., has been named manager at Fresno, Cal. He was in the real estate business before joining GAB at Spokane.

Stanley S. Smith, formerly an adjuster, will succeed Mr. Simkins. Before joining GAB at Eureka, Cal., Mr. Smith was with an independent adjusting firm.

Chester E. Robinson, manager at Fresno since 1952, has been promoted to field examiner for the Pacific northwest territory with headquarters at Wenatchee, Wash. Mr. Robinson joined GAB in 1939 at Pendleton, Ore., and has been at GAB's branches in Pocatello, Seattle, Yakima and Wenatchee.

Neal G. Trost has been promoted to resident adjuster at Merced, Cal., to succeed Harry H. Beckwith, who resigned to enter private business. Mr. Trost was formerly at the Marysville, Cal., and Sacramento offices.

GAB's Everett, Wash., office has been moved to the Spreisterbach building, 2919 Wetmore avenue, and the Deming, N.M., office is now in the Mahoney building.

Award \$45,000 in Action Against Manufacturer

A King county (Wash.) superior court jury has awarded \$45,000 in damages to the Bellevue Shopping Center in a suit against Ric-Wil Co. of Cleveland, manufacturers of a prefabricated steam-heating system, which the shopping center contended was unsatisfactory and had to be replaced.

Last year Washington supreme court upheld the right of action of Bellevue Shopping Center against Ric-Wil. The court ruled that although there was no specific contract between the manufacturer and the consumer, since the heating system had been installed by a sub-contractor, the sub-contractor was acting as the agent of the contractor, thus giving the shopping center the right to bring action directly against the manufacturer.

McVeigh Opens Chicago Agency

James A. McVeigh Jr. has opened his own agency in the Insurance Exchange building, Chicago.

Mr. McVeigh has 18 years of insurance experience in the Chicago area. He began his career as an underwriter for Maryland Casualty in 1938, joined the Homer Gwinn agency as underwriting manager in 1940, became

casualty manager for the R. A. Napier & Co. agency in 1945, joined the Anchor Agency as head of the casualty department in 1948 and was with the American Insurance Agency since 1950.

2,643 Marine War Risk Binders Issued

During the first quarter of 1956 the maritime administration issued 2,643 marine war risk binders of which 974 were hull, 871 protection and indemnity, and 798 crew life and personal effects.

Binder fees and binder extension fees collected by American war risk agency totaled \$235,412. After payment of agency fees and expenses of \$83,611, the new amount of fees collected was \$151,800.

During the quarter insurance was continued on two vessels being constructed by Ingalls Shipbuilding for sale to Moore-McCormack Lines. No contracts with cargo underwriting agents were made.

Continued until June 30 was the arrangement with the Secretary of the Navy for war risk second seamen's coverage for tankers operated for military sea transportation service, without premium, under agreement by the navy to indemnify the maritime administration for all losses covered by such insurance. At the end of the quarter 23 tankers were covered and no claims had been received.

The report indicates it has not been necessary for the Secretary of Commerce to make any transfer of funds for war risk purposes under authorization of law from the vessel operating revolving fund.

Philadelphia Claims Men Elect Evans

Thomas M. Evans of Bell Telephone Co. has been elected president of Philadelphia Claims Assn.

Other new officers are Daniel Trimarco of Harleysville Mutual Casualty, secretary; Harry D. McCay of London & Lancashire, treasurer; Charles M. McCarthy of Pennsylvania Manufacturers' Association Casualty and Pennsylvania Manufacturers' Association Fire, chairman of the executive committee, and Richard L. Goerwitz of Employers group, Theodore Roberts of National Union Indemnity and David M. McCall of Fidelity & Casualty, executive committee members.

Harrison, Bouchard Named by Peerless

T. Paul Harrison has been named assistant claim manager in the home office of Peerless. He had been claim manager in Concord, N. H., since 1953 and before that was claim examiner in the home office.

Norman W. Bouchard, formerly claim investigator and adjuster at Augusta, Me., succeeds Mr. Harrison at Concord.

San Francisco Forum Meets

Insurance problems in connection with nuclear projects were discussed at the May meeting of Insurance Forum of San Francisco.

Speakers were S. Kirk Collins, superintendent of the accident and loss prevention department of Fireman's Fund; Elwood S. Carlson, insurance manager of Bechtel Corp. who presented the viewpoint of the construction industry, and Joseph F. Morrison, vice-president of Industrial Indemnity.

Babaco Opens Three New Agencies

Babaco Alarm Systems has opened new agencies at North Florida Motor Co., 605 Riverside avenue, Jacksonville, Fla., Baumgartner Garage, 22 North Cherry street, Akron, O., and McCoy-Curran, 423 Main street, Red Wing, Minn., for the installation and servicing of truck burglar alarms.

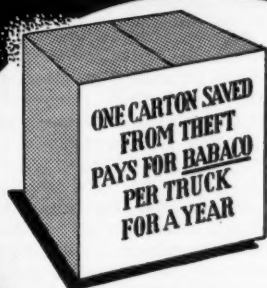
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**Three-Year Course
Planned for Farm
Mutual Managers**

INDIANAPOLIS—A five-day school of mutual insurance company management is scheduled for June 24-28 at Purdue university. Sponsored jointly by the National Assn. of Mutual Insurance Companies and Purdue's department of agricultural economics, the school is designed for managers and management personnel of farm mutual insurers.

Participants will attend a three-day session of classes each year for three years to complete the program. Courses will be oriented to the needs of both regular and new personnel.

Students will be eligible to compete for the W. A. Rutledge memorial award, established by Farmers Mutual Hail of Des Moines and NAMIC in honor of the late W. A. Rutledge, founder of both organizations. The award will be based on a thesis written by a person who has attended the school on a subject relating to farm mutual insurance.

Curriculum for this year's school includes: Economics of agriculture—the general pattern of changes in American agriculture since 1800 with particular reference to the impact on the organization and operation of mutual insurers; fundamentals of insurance—basic concepts of risk-sharing including general conditions and principles necessary for a workable risk-sharing arrangement with particular reference to farm mutual insurers; introduction to mutual insurance company management—the legal background of mutual insurance, the philosophy and objectives of mutual insurers, relationship between policy formulation and operating management, responsibilities of the board of directors and operating management; sales programs—providing the proper kinds and amounts of insurance protection for members and rural residents generally, the use of personal solicitation by agents and mass media promotion; membership relations—building membership interest in company and loss prevention activities.

Mutual Loss Managers to Meet

Mutual Loss Research Bureau will hold its annual loss manager's conference Sept. 18-21 at the Hotel Statler, New York City.

NEWS BRIEFS

The Hartford agency of Harold G. Holcombe, is marking its 55th anniversary, and Harold G. Holcombe, chairman, will observe his 83rd birthday in November.

James H. Merritt has been appointed assistant vice-president of Liberty Mutual in the Pacific division. He has been with the company since 1931 and has been in San Francisco since 1933.

Rotch agency of Milford, N. H., has moved from the Cabinet Press building to 8 Middle street. William Ferguson has purchased the business from the late Arthur B. Rotch.

Insurance Women of Wilkes-Barre, Pa., have elected Mrs. Eva Hughes president, Mrs. Alice Callan and Miss Gertrude Turpin, vice-presidents, Miss Charmaine Brody and Miss Pearl Ullman secretaries and Mrs. Miriam Craig treasurer.

Insurance Women of Los Angeles have elected the following officers: Mrs. Polly Grayson, president; Mrs. Irene Brewer, vice-president; Miss Elaine Johnson and Mrs. Ellen Kyle, secretaries, and Miss Dorothy Krimbill, treasurer.

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is a major factor in building your business and your reputation as an insurance man. Like other well-established capital stock companies, London & Lancashire's choice of modern coverages gives your assured a "custom fit".

We think you will agree: what serves your assured best is best for your business.

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of New York**

Organized 1918

Globe & Republic Insurance Company of America
Established 1862

**Merchants and Manufacturers Insurance Company
of New York**
Organized 1849

New York Fire Insurance Company
Incorporated 1832

CORROON & REYNOLDS, INC.
MANAGER

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Young Driver BI, PDL, Comprehensive Rise in More States

National Automobile Underwriters Assn. and National Bureau of Casualty Underwriters have revised automobile rates in Maryland and Delaware effective June 6.

In Maryland reductions in physical damage cover will reduce premiums \$1,400,000 a year. Private passenger car collision is reduced 8% for \$50 deductible and 16% for \$100 deductible but comprehensive is up 7%. Collision for commercial local hauling is reduced 14% and for intermediate and long distance hauling 10%.

For some cars without male operators under 25 BI and PDL rates decrease \$2 to \$9, for others increase \$1 to \$4, and for others no change.

For unmarried young men under 25 who own or principally operate cars increases range \$13 to \$35. For married young men under 25 and cars operated by men under 25 not owners or principal operators increases range \$1 to \$8. In Montgomery and Prince Georges counties within five miles of District of Columbia, the rate for these cars is reduced \$3.

In Delaware PDL reductions will amount to \$180,000 a year. Collision is reduced 8% for private passenger cars and 10% for commercial intermediate and long distance hauling. Private passenger car comprehensive increases 12%.

In the Wilmington territory BI and PDL are reduced \$1 to \$7 for all cars without male owners or operators under 25. For the remainder of the state these rates are increased from \$4 to \$17. For unmarried men under 25 the rate is increased \$14 for Wilmington and \$32 for the remainder of the state. For married young men and cars operated by men under 25 who are not owners or principal operators the rate is unchanged in Wilmington and is increased \$10 in the remainder of the state.

In Alaska, where the 3-class plan is in effect, the bureau has reduced class 1 and 2 rates \$9 and class 3 \$11 in Anchorage and Fairbanks and has reduced rates \$2 for classes 1 and 3, and increased rates \$7 for class 2 in the remainder of the territory, effective June 1.

Mutual Insurance Rating Bureau has increased the rate level for BI and PDL 6.1% in Delaware and 2.4% in Maryland, effective June 6.

Travelers Sets Up Bond Department at Omaha

Travelers has installed a fidelity and surety department at Omaha with Arnold C. Hodnefield, assistant manager, in charge and Robert West as field supervisor.

Mr. Hodnefield joined the company in 1949 at Des Moines as an underwriter and was promoted to field supervisor of fidelity and surety there in 1951. He transferred to Kansas City in the same capacity in 1953.

Mr. West has been with the company since 1954 as a fidelity and surety field supervisor at Kansas City since 1954.

Buyers Meet at Wymore, Neb.

A buyer's conference, sponsored by the Benson agency of Wymore, Neb., was attended by more than 100 buyers and businessmen from the area. Dr. Curtis M. Elliott, University of Nebraska, and Richard C. Allgood, executive secretary of Nebraska Assn. of Insurance Agents, spoke.

Fla. Agents Issue Insurance Guide for School Boards

Florida Assn. of Insurance Agents has published *An Insurance Guide for School Boards*, prepared under the supervision of Cooper M. Cubbedge of Jacksonville, which is designed to acquaint boards of education with general insurance essentials they should consider. Similar books are planned for other special fields.

The 74-page study deals with the statutory requirements of the state with respect to school insurance, discusses the local agent as an insurance advisor and emphasizes the wisdom of centering responsibility for the insurance program. It deals with the important school hazards, both physical damage and liability, and then takes up the fire policy and casualty insurance in detail. There are also chapters on athletic injury coverage, transportation insurance, and bonds for school officials and employees.

After dealing with the financing of premiums, agent participation in the school insurance program, selection of companies, and records in public schools, the book devotes considerable attention to conservation of life and property, and to group insurance benefits, including retirement plans.

In general, the book advises the school board to learn the kinds of losses to which it may be subject, to evaluate each hazard and determine what hazards are important enough to insure against and for how much, make certain that all coverage is correctly written in companies that are beyond question, and endeavor to remove all rating penalties if at all possible by making the required improvements.

Sues Two Beaumont Banks for Texas Mutual Funds

AUSTIN—A test case to determine the liability of two Beaumont banks involved in the spectacular failure of the Texas Mutual in 1954-55, has been filed by J. D. Wheeler, state insurance liquidator, on an appeal from a decision of District Judge Combs that the banks were not liable.

Mr. Wheeler in his appeal charged that the First National and American National banks of Beaumont had issued false statements relating to the insurer's unencumbered cash deposits, and that these statements were presented to examiners for the board of insurance commissioners and used in approving continuance of operations by Texas Mutual. He argued that the banks thus conspired against claimants, policyholders and creditors and suggests, as an alternative move, that the banks pay the amounts to the receiver that they stated the company had in unencumbered funds.

Briefs will be filed during the summer recess and a decision on the appeal is expected late this year. If Mr. Wheeler wins, it is said, the case may then be tried on its merits and if he loses the case of alleged conspiracy will be dropped as the banks are the main organizations with assets on hand.

Minnesota Buyers Elect Cervin

K. N. Cervin of Minneapolis-Moline Co. was elected president of Minnesota chapter of American Society of Insurance Management at the group's meeting in Minneapolis. He succeeds H. V. Holand of Patterson Dental Supply. Other new officers are E. G. Chambers of Minnesota Mining & Manufacturing, vice-president; Julian Magelli of Nash Finch Co., secretary-treasurer, and R. S. Johnsen of St. Paul Terminal Warehouse Co. and H. T. Weber of Economics Laboratory, both directors.

A & S

(CONTINUED FROM PAGE 23)

tion as one of the mature and responsible lines of insurance coverages and in my opinion we can and are measuring up to this responsibility."

Mr. Hanna pointed out that careful underwriting can eliminate complaints when claims are filed and quoted a report which has estimated that more than 99.8% of the some 15 million A&S claims paid each year are completed without any complaints or even inquiry to any insurance department.

Preceding the entertainment, new officers of the association were installed. They are:

John Sonin of Fireman's Fund, president; Jack Olson of Combined, Frank Watt of Washington National and Lee Hougland of the Parker-Aleshire agency, vice-presidents; Vincent Manno of Modern Life & Accident, treasurer, and Marie Meade of Health Insurance Assn., secretary.

Hartford A&H Unit Elects Dinehart Chief

Hartford Assn. of A&H Underwriters has elected Fred Dinehart of Meriden, Conn., president, Edward Boyce vice-president, George Richards secretary, William F. O'Connor chairman of the executive board, all of Hartford, and Stuart C. Ferris and J. Vincent Budds of Hartford and John Thompson of West Hartford executive board members.

Vernon Heads Southern GAs of Mutual Benefit H.&A.

Eugene Vernon, general agent for Mutual Benefit H.&A. and United Benefit Life at Jackson, Miss., was elected president of the companies' Southern General Agents' Assn. during the annual meeting in White Sulphur Springs, W. Va. He succeeds R. B. Condon of Louisville. Other new officers include Byron Holdren of Miami, vice-president, and Ira P. Cromer of Richmond, secretary-treasurer.

C. L. Gurney, national president of the association, gave the principal address.

OK for County to Cover Needy with Blue Cross

Nebraska Attorney General Beck said it is all right for a county board to purchase Blue Cross and Blue Shield group coverage for needy persons of the county. His ruling answered a legal query from Morris V. Hoebler, Chester county attorney.

Mr. Beck said it is evident that the furnishing of such benefits to those in need is a governmental duty imposed on the counties and express authority is given to raise funds by taxation for this public purpose.

Since there appeared to be no limitation on the matter in which the duty is to be performed, Mr. Beck added, it follows that a county board should be allowed to exercise his own discretion in carrying out this function, provided the manner in which it is done is reasonable.

New Group Office Set Up by Mutual Benefit H.&A.

A new district group office, headed by Clement T. Duffy, has been established in Minneapolis by Mutual Benefit H. & A. and United Benefit Life. The office will be responsible for the sale and service of group coverage of the two companies in the upper mid-western section of the United States.

Mr. Duffy is a past president of Minneapolis A&H Underwriters Assn.

Six Promoted by Combined of Chicago

W. Clement Stone Jr., who has been assistant to the president of Combined of Chicago, has been named executive vice-president in charge of sales, in a series of changes in the executive staff. F. E. McCabe was named executive vice-president in charge of administration, and becomes secretary. He has been executive vice-president and treasurer.

M. P. Lowman, secretary, was appointed a vice-president and assistant secretary of the Canadian division.

Otto Propach was named treasurer and controller. He has been controller and assistant treasurer.

Russ Bell was named assistant vice-president and will continue as manager of the IBM department.

C. C. Parker was named assistant treasurer.

Ind. Association Has New Name, Constitution

Indiana Assn. of A&H Underwriters at its annual meeting in Indianapolis adopted a new constitution which changes its name to Indiana A&S Assn. and simplifies its machinery of operation. The new document will be submitted to the International association for approval.

William Highfield, A&S editor of Insurance R&R, was elected president, succeeding John Morris, Hoosier Casualty, Fort Wayne. Named vice-presidents are Glenn O'Laverty, Business Men's Assurance, Bluffton; J. J. Craig, Jefferson National Life, Hammond, and Joseph Whittington, Monarch Life, Indianapolis. R. W. Osler, Rough Notes Co., is secretary, and Harry Guion, Business Men's Assurance, Indianapolis, is treasurer.

C. Lane Breidenstein, manager of Fort Wayne Better Business Bureau, told the meeting that the A&S industry is in strange contrast to other businesses, which seek to settle their own regulatory problems themselves, without running to the government. He said the A&S business presents an anomaly among American businesses in that it does not seem to question government regulations, but only who shall exercise the regulation—the states or the federal government.

In a resolution opposing the new social security bill, the association branded the addition of disability benefits as "unnecessary," and declared that no "ground-swell of public opinion" demands the proposed extensions and expansion.

The meeting also adopted a resolution which urges member locals to refuse to support hospital and medical fund drives until Indiana hospitals stop giving Blue Cross and Blue Shield favorite treatment.

Continental Casualty to Write Student Health at MSU

Continental Casualty will write the A&S plan for students at Michigan State University beginning with the 1956 fall term.

Full time students for a premium of \$8.50 annually will receive \$2,000 accidental death and dismemberment benefits, \$750 blanket accident coverage, \$500 blanket hospitalization and \$200 surgical fee benefits. The A&S provisions supplement university health service benefits, under which students are provided up to 40 days of free medical service but must pay surgical fees.

Investigation of the possibility of a student insurance plan began last November, and a vote was taken in which

68% of the students voted in favor of the project.

Voters Must OK Group A&S for City Council in Minn.

The Minnesota attorney-general's office has ruled that the city council of Breckenridge, Minn., cannot purchase group A&S for itself without the approval of the voters. The attorney-general held that such insurance under a 1955 Minnesota law would be regarded as additional pay for the council members. The Breckenridge city charter, in setting the pay of the mayor and council members, provides that their pay may not be increased unless approved by the voters.

Lumbermens Mutual Casualty Answers FTC

Lumbermens Mutual Casualty, answering the federal trade commission complaint charging it with falsely advertising A&S, has declared that FTC has no jurisdiction over company activities. It maintains that the advertising is regulated by Illinois and by every other state in which the adver-


tising is circulated and that the statements appearing in the complaint when read in context have no tendency to mislead the public. The company also stated that it believes FTC has received no complaints concerning its advertising. The answer was filed in Washington, D. C.

Group Health Mutual in New H. O.

Group Health Mutual of St. Paul has moved into its new home office at 2500 Como avenue. The new building, providing 30,000 square feet of floor area, is a two-story structure of contemporary design, and planned for future expansion upward.

Holz to Address N. Y. Insurance School Grads

Superintendent Holz will be the guest speaker at the closing exercises of the school of insurance Society of New York June 12 at the state chamber of commerce building 65 Liberty street, New York. Lewis A. Vincent of National Board and Carl M. McDowell of New York Board will present prizes and certificates.



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Worcester Mutual Vitamins
for an Underweight
Sales Program?"

For a healthy and sustained sales growth there is nothing like consistent renewals from satisfied customers . . . and Worcester Mutual policyholders are satisfied with its 132 year record of returning 20% dividends on fire insurance premiums.


Worcester Mutual

FIRE INSURANCE COMPANY

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<p>Maine New Hampshire Vermont Massachusetts Connecticut Rhode Island New Jersey Ohio Pennsylvania</p>	<p>Virginia North Carolina South Carolina Louisiana New Mexico Texas Washington, D. C.</p>
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Set Hearings on WC Changes for California

Public hearings to consider changes in workmen's compensation rates and classifications, proposed by California Inspection Rating Bureau have been scheduled for July 5 and 6 at San Francisco and July 9 at Los Angeles.

The July 5 meeting will consider the

readoption of the 1938 California WC retrospective rating plan and the July 6 meeting will consider changes covering manual rate levels and rules and regulations.

The manual changes cover some 503 classifications including 346 rate decreases, 128 increases and 29 which remain unchanged. The over-all changes would result in a 3.7% decrease.

NO. 8 OF A SERIES



Service does Pay

Says a Pearl-American Agent in Northern Illinois. This is his story:

"I had an \$8,000 line on the contents of a small machine shop which was located on the second floor. On December 22nd there was a fire in the building and my client's machinery wound up in the basement. It was an exceedingly cold night—so cold that the firemen's ladders were frozen against the side of the building and abandoned for several days. My client's machinery was encased in ice and adjustment of the claim was impossible. In the interim my client had a chance to purchase another machine shop. I got in touch with your field man and he arranged for the immediate advance of 50% of the policy. Naturally my client was very happy about being enabled to get back in business promptly. What's more, he wrote me a very flattering letter which with a photostat of the draft I have used to convince prospects that it pays to deal with a resourceful 'independent local agent'."

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N. C. Agents Start Scholarship Fund

North Carolina Assn. of Insurance Agents at the annual meeting in Pinehurst voted to establish a \$500 annual scholarship at North Carolina university to be awarded to an outstanding junior or senior majoring in insurance. The first scholarship, to be given this fall, will be in honor of Sherman G. Ostot, executive vice-president of the association.

Moore County Agents Assn. is contributing \$500 to an expansion fund for the Moore county general hospital.

Ernest F. Young of Charlotte, a columnist for *Insurance Field*, was presented an engraved scrapbook in recognition of his contribution to insurance.

Feature of the convention was a three hour workshop panel with E. Fred McPhail of Charlotte, moderator.

Outlines Company PR Program to Underwriters

Richard Protheroe, Philadelphia local agent, addressed Underwriters Club of Philadelphia on the aims of a typical public relations program.

He listed as important in a PR program: Education of the public to the company's policies and relationships; convincing the public that the company is continuously striving to make better products; making the public look on the company as a good citizen and employer; interpretation of public opinion for management, and explanation to employees of their roles in the company's structure.

Kemper Men's Club Elects Hagerup; Hears Gambrell

Leonard W. Hagerup has been elected president of Kemper Insurance Men's club to succeed Edmund J. O'Brien.

Other officers are: Edmund H. Skiba, 1st vice-president; Henry W. Hagemann, 2nd vice-president; John Kerner, secretary, and Robert H. Johnson, treasurer.

In a speech following the election, E. Smythe Gambrell of Atlanta, president of American Bar Assn., assailed use of tax revenues by the government "to gain unlimited control over lives of all citizens." Extraction of 46 billions in income taxes from the national economy, Mr. Gambrell charged, "far exceeds the legitimate cost of operating the federal government within its constitutionally delegated bounds. The excess remains to be dispensed by the holders of political power in the form of subsidies, bounties, benefits and allowances." By use of tax proceeds "to purchase compliance with its wishes, the federal government may arrogate to itself the unlimited control of our lives," he warned.

N. E. Purchasers Elect Ryan

Insurance Company & Bank Purchasing Agents Assn. of New England has elected William T. Ryan of Travelers president at the annual meeting in Hartford. Other new officers include Donald Sleigh of Mutual Boiler vice-

president, Lincoln S. Goodsell of Massachusetts Hospital Service secretary, William E. Lutz of Caledonian treasurer, and Burton W. Hall of Massachusetts Mutual Life and O. W. Snow of Hartford Fire, executive committee members.

Insurance Librarians to Meet in Pittsburgh

The annual convention of the insurance division of Special Libraries Assn. was held June 3-7 at Pittsburgh. Speakers included Margaret Scriven, librarian of the Chicago Historical Society, on "Preservation and Restoration of Materials," and James Richardson, Mutual Benefit Life, on "The story of Life Underwriters Training Council."

A panel discussion was held on binding problems covering such items as which insurance periodicals are commonly bound and how long they should be kept in company libraries. Results of a survey of binding procedures in 175 companies, 125 of them insurance companies, was presented at the discussion moderated by Emma Turner, Hardware Mutuals of Stevens Point. Members of the panel will be Wilma Neuling, Employers Mutual of Wausau. Marian Lechner, Connecticut General Life, and Jack Baltes, Globe-Union.

Ruth Nielander, chief librarian for the Kemper companies, is chairman of the insurance division.

S. E. Sobeloff to Address Public Adjusters Annual

S. E. Sobeloff, solicitor general of the United States, will be a speaker at the annual convention of National Assn. of Public Insurance Adjusters at Kiamisha Lake, N.Y., June 27-July 1.

A panel discussion, led by George Goodman, Boston, will be held at the Saturday morning session on "Problems and Responsibilities of Public Insurance Adjusters."

Kay County Board Elects Sharp

Kay County (Okla.) Insurance Board at its meeting in Ponca City elected Paul Sharp of Ponca City president, William F. Johnson of Newkirk vice-president and Mrs. Mercedes Estes of Blackwell secretary-treasurer.

Would Increase D. C. Taxi Cover

A bill has been introduced in the Senate that would increase bodily injury liability limits from 5/10 to 10/20 on taxicabs in District of Columbia under the financial responsibility law.

GAB Promotes Conroy in N. C.

General Adjustment Bureau has advanced J. V. Conroy from adjuster-in-charge to branch manager at Durham, N. C. The facility, formerly under jurisdiction of the Raleigh office, now is an independent branch.

Cleveland Mariners Hear Wilson

R. W. G. Wilson, Aetna Casualty, addressed the May meeting of the Mariners Club of Cleveland on "Great Lakes Historical Society."

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Bugli Joins PR Staff of Doremus

Ralph W. Bugli, head of his own public relations firm for the past two years, has joined the public relations staff of Doremus & Co. of New York as special projects director.

Mr. Bugli entered insurance as advertising manager of London Assurance in 1937. He was named public relations director of National Board in 1941 and joined Fred Eldean & Co. of New York as insurance and fire protective equipment account executive in 1944. He is co-author of *Risks We Face—An Introduction to Property Insurance*.

Discuss Bonds at May Meeting

Surety and fidelity bonds were discussed at the monthly meeting of the Manitowoc (Wis.) Insurance Board by Robert W. Schuder, Ohio Casualty, Milwaukee. He explained the various types of bonds available to meet the specific needs of various types of businesses to protect themselves from losses due to dishonest employees.

New officers of Insurance Women of Madison (Wis.) are Helen Hendrickson, O. Fox agency, president; L. B. Pease, A.A.A. vice-president; Dorothea Wyss, America Fore, recording secretary; Mrs. Elmer Van Meier, Mutual Indemnity, corresponding secretary; Joyce Montgomery, Madison Bank & Trust Co., treasurer.

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Changes in Business Interruption Form

Recent changes in the business interruption, single item gross earnings form are essentially editorial and it appears that arguments will continue over what the actual loss sustained is, Frank S. Glendening, Philadelphia certified public accountant, declared in a talk before New York chapter of American Society of Insurance Management.

Loss of production facilities does not always result in loss of sales, he said. Under business interruption coverage there have been many losses adjusted on the basis of loss production because it has been established that a loss in sales would result. However, all claimants have not lost sales.

Mr. Glendening pointed out that the actual loss sustained proviso is a statement of the elementary rule that the measure of recovery provided for is not to be applied so as to put insured in a better position than he would have been had no damage occurred.

The business interruption insurable value is merely a basis of computing rates, he said. It does not control the actual loss sustained. The 12 months in the value statement, for example, is not a limitation on the time of recovery.

Mr. Glendening observed that the manufacturer's products must be both manufactured and sold before he makes a profit. If sales are eliminated from any operating statement, profit will be eliminated. The insurers are merely saying that a manufacturer cannot make a profit when he cannot make his products, Mr. Glendening said. However, they would not pay losses if there were no market for the product.

The sales value of production cannot be determined unless the product is sold, he continued. Current sales prices would apply in the adjustment of a business interruption loss only if current sales are lost.

The chief change in the new gross earnings form is the specific mention of the "use of stock" under the new resumption of operations clause, he said.

It remains to be seen how the new form will be applied when losses occur, he said, but it appears that actual loss sustained will continue to a point of contention, he said.

NEWS BRIEFS

Chubb & Son presented its annual concert in New York City at the National Board building. The program included a chorus singing old time songs and presentations by the Chubb & Son quartet. Allan Hughes was director and accompanist and E. R. Bischoff chairman of the committee was in charge.

The Lancaster N. H., agency of George M. Stevens & Son has purchased the George N. Kent & Son agency there from Edward G. Robinson, president of New Hampshire Assn. of Insurance Agents. The agencies are two of the oldest and largest in northern New Hampshire. Mr. Robinson will retain his interest in the Marshall & Kent agency of Colebrook.

Robert Arnold, an underwriter and auditor at Spokane for General of Seattle for nine years, has joined the Stuart G. Thompson-Elwell Co. at Seattle as a casualty underwriter.

Insurance Women of San Gabriel Valley (Cal.) elected the following officers: Viola Seay, president; Marguerite Auberle, vice-president; Gertrude Miller and Ruth Irving, secretaries, and Mary Barr, treasurer.



Speaking of Competition?

To whom it may concern:

It is the common fate of the indolent to see their rights become a prey to the active.

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NAIC Takes Action on Government Threat

(CONTINUED FROM PAGE 1)

mond hospital after a short illness. He had been absent from the meeting and his inability to appear removed some of the warmth that his presence always created.

In addition to the resolution for combating the FTC, NAIC, through its workmen's compensation committee, adopted another resolution condemning the Department of Labor for its so-called "model" workmen's compensation law proposal. In introducing this resolution as part of the WC committee report, Chairman George Mahoney of Maine said at the final executive committee session that he hoped it would not be controversial. The reaction was that it was far from controversial so far as the industry and the NAIC is concerned, stating an opinion that is almost universally held in the business.

Another slap at the FTC was taken when the interpretative guide for A&S advertising was not made a part of the record and Mr. Pansing said his committee was recommending that it not be used as an official document by the states but merely as useful material in judging advertising. This removes one of the objections raised during the committee hearings on the guide, that the FTC might take whatever it could, in or out of context, and use the industry's own record against it in the hearings against insurers. The guide now has no official standing whatsoever, thus is not susceptible to being used as evidence in hearings or court proceedings.

For the fire and casualty people one of the most significant developments

of the St. Louis meeting was the recommendation of the rates and rating organizations committee that a subcommittee be appointed to study the statistical, rating and filing problems resulting from multiple line contracts. The industry is to appoint a committee to work with the subcommittee, and deliberations are expected to begin soon so a report can be made at the December meeting in Miami. This group will of necessity investigate some of the provisions of the all-industry laws and the effect of this action undoubtedly will be that the rating laws will be in for a new look as they relate to multiple line underwriting.

The committee also agreed to the substitute proposal of the National Board on fire statistical classifications for sprinklered risks. The Board originally wanted to reduce the classifications in this field to three, but asked at St. Louis to retain the six classifications and offered to supply supplemental nationwide reporting of premiums and loss experience on highly protected risk business, to be broken down according to the present standard classification of occupancy classes. Ambrose B. Kelly of the Factory Mutuals needed the National Board on this, remarking that if further statistics are not asked for or needed there is not much to be gained from getting them up. The statistical presentations are a tiresome and expensive proposition, he said, and he implied that the National Board substitute proposal was nothing more than a return to what had been the situation before,

except that there had been a good deal of time and effort expended to get nowhere.

Except for the subcommittee on multiple line statistics and rating, the strictly fire and casualty business was almost completely by-passed at St. Louis. All the attention was given to A&S and life insurance and the critical matter of government intervention. The reports on flood insurance, atomic reactor insurance, etc., contained nothing new and there was a minimum of discussion at committee meetings dealing with these and other fire-casualty subjects. Everyone was well aware that the routine internal problems of insurance were in the back seat. Evidence of this became noticeable as more and more of the fire and casualty people drifted into the A&S meetings where the FTC topic was being discussed. The implications of the FTC decision in the American Hospital Life case have been pretty generally ignored by the fire and casualty business, but either lack of activity in their own fields or a growing awareness of the possible consequences of the FTC action prompted a good many association and company men to sit in on some of the A&S discussions.

Two of the A&S subcommittee reports brought out provocative comment. The interpretative guide for the advertising rules endorsed by NAIC at its December meeting in New York had been expected to come in for discussion, but it evidently was not expected that there would be quite so much opposition or that it would be reiterated and prolonged as it was. The chief crusader was Moses G. Hubbard of Commercial Travelers of Utica, who got himself embroiled in the high spot of the convention from a personality standpoint when he made a remark or two that caused Gillooly of West Virginia to ask in no uncertain terms that Mr. Hubbard refrain from mentioning personalities or imputing personal motives to any of the rules or interpretations of them.

Blue Cross had something to say about the interpretation of community health plans, and quite a to-do was raised over the matter of a list of do and don't phrases which the guide said can or cannot be misleading and require further explanation. C. F. J. Harrington, executive vice-president of National Assn. of Casualty & Surety Agents and former Massachusetts commissioner, had a number of caustic words to say about the removal of some language in the section on testimonials, calling this a revision of the rules themselves through the back door.

However, the interpretative guide as finally submitted contained only a few minor changes and Mr. Hubbard was left unsatisfied. The report of the guide committee did agree with a number of the industry people that some changes



New York and Wisconsin department men at the NAIC St. Louis convention: Top: William C. Gould with Superintendent Leffert Holz of New York, and bottom: H. T. Wolberg with Commissioner Paul J. Rogan of Wisconsin. Photograph by Harry H. Fuller, midwest manager of National Bureau of Casualty Underwriters.

in the advertising code might be called for, and said the subcommittee in its next six months will devote most of its attention to the rules. The rules most widely controverted and to receive attention are IC (definition and treatment of agents and brokers, a matter on which Mr. Harrington has been most adamant), rule 4 (which is interpreted in the guide differently from its statement in the code), and 11B (having to do with the licensing of direct mail insurers, a section Mr. Hubbard would like to have deleted). Up to the final gun opponents of some of the language in the guide or of some of the rules themselves made their opposition known at every opportunity. They put themselves thoroughly on the record, Mr. Hubbard explaining at one time that he would not like to have it felt that silence on his part at any point in the proceedings should be taken for assent.

The subcommittee on A&S cancellations headed by Mr. Gillooly also ran into some industry protest over sections in its report. As originally drafted, the report related cancellations and rate regulation of A&S and recommended that the A&S committee "undertake a study to reevaluate the soundness of the reasons for keeping accident and sickness insurance free from rate regulation." This section was removed in the sub-committee

William L. Martin and E. M. Griggs of the National Board Chicago office at the NAIC meeting at St. Louis with L. H. Sanford of the Michigan department. Photograph by Harry Fuller of National Bureau of Casualty Underwriters.




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On hand at the St. Louis meeting of National Assn. of Insurance Commissioners as photographed by Harry Fuller, midwest manager of the National Bureau: A. D. Pingree of the Vermont department; Commissioner George Mahoney of Maine; Commissioner Charles Gold of North Carolina; Commissioner C. Lawrence Leggett of Missouri, the retiring president of NAIC, and C. F. J. Harrington, executive vice-president of National Assn. of Casualty & Surety Agents.

tee report as turned into the parent A&H committee, but still remaining and adopted at the executive session was the provision eliminating all cancellations of A&S policies, limiting the right of the company to get off the risk to a refusal to renew only once a year at the premium due date. Even in the case of a monthly policy, the refusal to renew would be restricted to the annual basis, and the insured would be given 30 days notice.

The casualty companies are generally against this provision, desiring 90 days after inception date for a cancellation. Some of the casualty companies write through agents in the field and underwrite the business in the home office, sometimes as long as 60 days after the binder is in effect. This method of doing business would definitely be restricted under the subcommittee proposal, but it was pointed out by Mr. Gillooly that this is already the law in Ohio and Superintendent Pryatel of Ohio said it has not brought forth any complaints. However, the Ohio law does not go into effect until July 1.

C. F. J. Harrington protested this provision as a factor which would increase cost, and Mr. Gillooly also denied this. The report was turned in at the second executive committee session, but was held over as received until the executive committee had a chance to discuss it after McConnell of California said he would vote to have the report kept in the status of "received" with the subcommittee instructed to go over the subject once again. Mr. McConnell's suggestion was not adopted.

Mr. Knowlton's appearance at the opening executive committee session Thursday morning marked the high point of the NAIC convention. He was there to announce the course NAIC would follow in dealing with the FTC jurisdiction problem, and his explanation of why the No. 1 route would be appeal of the American Hospital case drew the keenest attention.

He explained that leaders in NAIC and in the industry met Saturday before the convention to discuss the problem and had as a guest J. D. Wheeler, attorney for American Hospital & Life. There were three courses of action considered:

1. A rehearing of the American Hospital case,
2. Joining through state attorneys general in an appeal of the case, or

3. Going to Congress for legislation to amend the PL 15 making it crystal clear that the states control insurance.

Mr. Wheeler said he was reluctant to ask for a rehearing, feeling the record as it stands is a good one for appeal, and thus, Mr. Knowlton said, NAIC abandoned the first alternative.

It was decided not to go to Congress, he explained, mostly because there is not time enough to lay the ground work, prepare a bill and get it passed before adjournment, especially in an election year. While all this would be in the mill before Congress there is the possibility of a wrong decision in the American Hospital case. Mr. Knowlton added that most people thought PL 15 was clear enough as it stood but still was interpreted strangely by FTC. This points up the need for the most careful preparation.

The decision, then, was to join with American Hospital in its appeal. The commissioners will ask their state attorneys general to file briefs as friends of the court which will present the state views on the question. All the commissioners were asked by Mr. Knowlton to advise their attorneys general of the case and get as many as possible to participate.

As adopted by NAIC, the FTC resolution said:

"Whereas, this association disagrees with and deplores the majority opinion of the federal trade commission in the American Hospital & Life Ins. Co. case, which is contrary to the intent of congress as plainly expressed in

(CONTINUED ON PAGE 40)



Commissioner Harvey Combs of Arkansas with Commissioner Charles Gold of North Carolina at the NAIC meeting at St. Louis. Photograph by Harry H. Fuller, midwest manager of the National Bureau.

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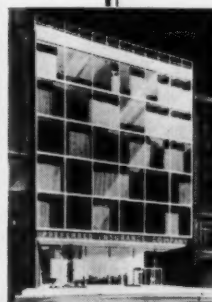
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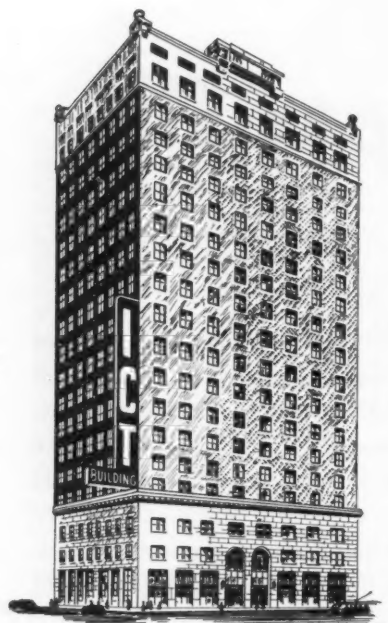
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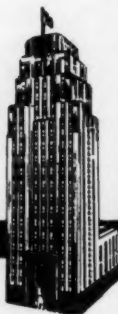
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Heinrich to Head Marine Laws Group

Herbert W. Heinrich, who retired in April as superintendent of the engineering and loss control division of Travelers, has been elected chairman of Uniform Boiler & Pressure Vessel Laws Society. He succeeds William Ferguson, who is retiring after 10 years.

Mr. Heinrich had been with Travelers 43 years when he retired. He is internationally recognized as a safety engineer. He was awarded the medal of Conservatoire National des Arts et Metiers in Paris in 1952. As a member of a special committee he was sent to Europe in 1945 by Under Secretary of War Patterson to assist in establishing a program controlling injuries from mines and dud explosives. He was also chairman of the safety advisory committee to the War Department and of War Department safety council. He is presently a member of President's conference on occupational safety. He is author of numerous books on industrial safety, including *Supervisor's Safety Manual*, *Basics of Supervision*, *Formula for Supervision*, and *Industrial Accident Prevention*. The latter is the standard text in 26 universities.

The society is a non-profit association concerned with the safe design, construction, installation and inspection of steam boilers and pressure vessels in the U.S. and Canada. It recently completed working arrangements with all important industrial nations all over the world to accept boilers and pressure vessels built in accordance with American Society of Mechanical Engineers' codes.

McIntosh Addresses La. Agents

Kenneth L. McIntosh, new manager of Louisiana Rating & Fire Prevention Bureau, spoke on the inner workings of the bureau before Capital Stock Fire Insurance Assn. of Louisiana at New Orleans.

Insurance Women of Lincoln (Neb.) elected Mrs. Ralph McClintock president, Miss Colleen Sprague vice-president, Miss Laverne Smisek secretary, and Mrs. Richard Soper treasurer.

Cherokee Elects Potter Chairman

Cherokee of Nashville has elected Justin Potter to the newly created position of chairman. Succeeding him as president is David K. Wilson, formerly executive vice-president. Mr. Potter has served as president of the company since its founding in 1946. Cherokee now is licensed in six states.

FTC Hears Leggett

Commissioner Leggett of Missouri, president of National Assn. of Insurance Commissioners, testified at the federal trade commission hearing in Washington, D. C., on the FTC complaint against Postal Life & Casualty.

He stated that the Missouri insurance department had received no complaints against Postal Life and that the insurance department has jurisdiction over and regulates insurance companies. John Goodin, counsel for the Missouri department and O. R. Jackson, former president of Postal Life, also testified.

The hearings on complaints against American Life & Hospital and Automobile Owners Safety were postponed until June.

NEWS BRIEFS

John C. Wood has been named auditing director at the home office of Allstate. Mr. Wood was senior auditor of Arthur Andersen, Chicago, before joining Allstate as a staff auditor in 1950. In 1951 he became field audit manager of the eastern zone and in 1954, returned to the home office as assistant auditing director.

General Adjustment Bureau has promoted John H. Rogers from adjuster-in-charge at Charlottesville, Va., to branch manager there. The office, previously under jurisdiction of the Richmond branch, is now an independent facility.

Louis C. Lembesis has been appointed home office reports manager of Allstate. He joined Allstate in 1949 as an accountant in the home office and was made staff accountant in 1952.

North Carolina Assn. of Insurance Women has elected Mrs. Latimer McClintock of Charlotte president to succeed Mrs. Catherine Gardner of Greensboro. Other new officers are Miss Lila Jean Yoder of Winston-Salem and Miss Mary Brach of Raleigh, vice-presidents; Mrs. Mildred Gryder of Charlotte, secretary; Mrs. J. D. Patterson of Statesville, assistant secretary; Miss Nellie McSwain of Shelby, treasurer, and Mrs. George A. Iseley of Raleigh, historian.



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40 Engineers at N.Y. Conference

More than 40 engineers from 30 stock casualty companies attended a two-day administrative engineers' conference in New York sponsored by Assn. of Casualty & Surety Companies to discuss problems ranging from recruiting and training to special safety methods and programs.

H. H. Allen Morris, engineering superintendent of Century Indemnity, presented the progress report of the association's engineering and project committee. Thomas N. Boate, manager of the association's accident prevention department, detailed his department's progress. Dr. Walter A. Cutter, assistant director of the safety education center of New York university, directed a question and answer session on general accident prevention problems.

Panel members of the session on administration of the inspection program were Donald G. Vaughan of Hartford Accident, John T. West of U.S.F.&G. and James P. Scobie of New England.

A panel composed of E. R. Granniss of Royal-Liverpool, C. O. Larson of Manufacturers Casualty, R. C. Meldrim of Glens Falls Indemnity, H. A. Goodyear of Fireman's Fund Indemnity and R. B. Miller of Fidelity & Casualty discussed continuing administrative problems.

The panel on administrative questions submitted by conference members consisted of J. W. Strassberger of Commercial Union-Ocean, R. H. Balensiefer of St. Paul F.&M., K. R. Bush of American, W. E. Gruber of Standard Accident, W. B. LeClair of Massachusetts Bonding and John Wildman of Employers.

Marine Institute Honors Admiral

American Institute of Marine Underwriters gave a testimonial luncheon in New York for Rear Admiral Louis B. Olson, who is retiring from the coast guard after 38 years. He is commander of the eastern coast guard area and the third coast guard district.

Insurance Women of Sioux Falls (S. D.) have elected the following officers: Mrs. Adella Pribyl of the E. W. Smith general agency, president; Eva Christopoulos of the McKinney & Allen agency, vice-president; Faith Christiansen of Anchor Casualty and Corrine Albright of the Pfeifer, Drake & Dodge agency, secretaries, and Dorothy Elchel of the Smith general agency, treasurer.

Conaty Retires, Is Succeeded by Theis

J. J. Conaty, manager at Brooklyn of Aetna Casualty, is retiring and will be succeeded by Fred W. Theis, who has been assistant manager of the 42nd street New York City office. The company is also promoting William B. Klauser, field man, to agency supervisor.

Mr. Conaty has been at Brooklyn 44 years, 31 as manager. Mr. Theis has been with the company 27 years as superintendent of liability claims and in the New York field.

Royal-Liverpool Names Burns to Detroit Office

Royal-Liverpool has appointed Timothy W. Burns bonding special representative in Michigan at Detroit. He was formerly with Standard Accident in Detroit.

N.Y. Board Elects Three

New York Board has elected Thomas E. Maddams, vice-president of Glens Falls, chairman, and Thomas F. Murray of Royal vice-chairman, of the fire prevention and water supply committee, and Thomas D. Hughes, vice president of Continental, vice-chairman of the laws and legislation committee.

Mabel Hart Heads U.S.F.&G. Club

The U.S.F.&G. anniversary club, comprised of employees with 25 or more years of service in the New York office, has elected Mabel W. Hart president, Philip A. Maurer vice-president, Magdalene Koffer secretary, Clifford B. Ellin treasurer.

Sells 11,498 Additional Shares

American Southern of Atlanta has sold 11,498 additional shares of common stock at \$35 a share to boost its policyholder's surplus to more than \$1 million. Assets of the company now exceed \$2.5 million.

Mass. Bonding Names Cavan, Ring

Massachusetts Bonding has appointed Edward J. Cavan manager of the contract bond department and Frank A. Ring assistant manager. Their assistants are Bruce Doremus and Robert Spencer.

Insurance Women of El Paso (Tex.) at their April meeting were urged to familiarize themselves with fidelity and surety bonds and their function in insurance by Richard L. McElroy, special agent for U.S.F.&G., Lubbock.

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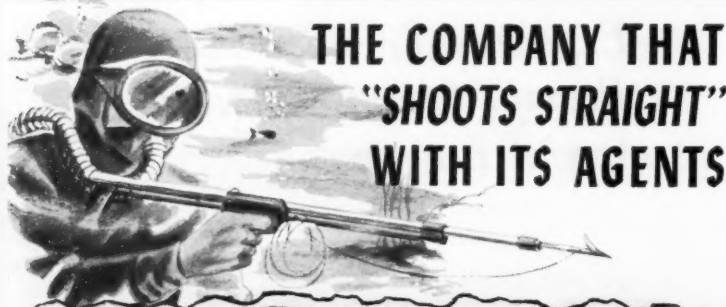
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Glendening Puts Glass on Expense for EUA

(CONTINUED FROM PAGE 5)

prosperous times, is scant indeed, and hence it is inevitable that all expense should be closely scrutinized."

In appraising the value of EUA to the business in view of its cost, Mr. Glendening found much to praise. With the increasing complexity in rating functions and forms, rating bureaus must continue to have competent, reliable advice from dependable sources, he said. In this connection, EUA has sponsored a long term study to improve and unify rating bureau methods and, in economy as well as efficiency, much already has been accomplished. The organization has done a fine PR job, which is continuing. Much progress has been made in conference with agents. The trade practices committee provides a forum where ideas and fair trade practices in the conduct of the business may be reviewed and recommendations transmitted for the good of the business and the public. The loss adjustment practices committee performs similar functions on loss matters.

EUA successfully initiated the move to abolish three former underwriters' associations and sponsored the merger of Eastern Inspection Bureau into the several rating bureaus. EUA has discouraged hospitality rooms, I-Days, and unnecessary types of policies, he said, in an effort to reduce expense.

There is, however, one outstanding weakness EUA has in common with many company organizations which should be analyzed, he said. This is overlapping functions and duplication of effort of company-supported organizations. Once again attention is being focused on reducing the number by elimination or merger. This calls for patience and sacrifice, and probably will meet with some resistance, but if the majority really want it, there is abundant opportunity for exploration. There are advisory bodies advising advisory bodies and if this statement is confusing, the result is more so, particularly in this day of multiple coverages, he said. EUA long since has recognized its limitations both as to territory and kinds of insurance served and possible remedies have been suggested. Research should aim at what is best for the business and the public. The result could reduce not only such expenses, but the time and expense of committee members, and perhaps a more reasonable degree of national uniformity would be established, he stated.

Chappelear to Retire from London & Lancashire

C. W. Chappelear, assistant manager at Hartford of London & Lancashire, will retire at year end because of ill health. He has been 30 years with the group. He has been granted a leave of absence effective July 1. He will also relinquish executive positions with the group's affiliated companies.

Edwards Retires from GAB

W. I. Edwards has retired after 17 years as an adjuster for General Adjustment Bureau at Nashville. Mr. Edwards was formerly in the local agency field and was president of Nashville Insurance Exchange and Tennessee Assn. of Insurance Agents.

Ritter Addresses Suburban Agents

Frederick C. Ritter of Middletown, president of New York State Assn. of Insurance Agents, urged local coop-

eration in the state association's promotion of the agency system in a talk before a luncheon meeting of Suburban New York Assn. of Insurance Agents in New York City.

George A. Kramer Jr., newly elected president of the suburban association, presided. The annual downstate regional meeting of the state association will be held Oct. 30 at Garden City, L.I.

N.Y. State Assn. of Brokers Reelect Hill

Walter J. Hill, a partner in Lukens, Savage & Washburn, was reelected president of Insurance Brokers' Assn. of the State of New York at a meeting of the directors. Other officers reelected are Edmund T. Sinnott of C. R. Black Jr., Inc. and Thomas W. Sweeney of H. Mosenthal & Son, vice-presidents; S. Stanley Gray of McLean & McLean, treasurer; and Alexander Heid Jr. of John A. Eckert & Co., secretary.

Aetna Fire Steps Up Accident Prevention

Aetna Fire has stepped up its current auto accident prevention program to tie in with the national slow-down-and-live campaign.

H. H. Allen Morris, engineering manager and director of the accident prevention program, has sent all drivers of company-owned cars in the U.S. bumper signs, dashboard stickers and a booklet, *Be Your Own Traffic Judge*, in efforts to have employees set good examples for other drivers.

Thurber Joins Tri-State as Production Supervisor

R. H. Thurber is joining Tri-State Mutual as supervisor of production, agencies and claims and as assistant to the general manager and secretary, Charles E. Norelius. Mr. Thurber has been vice-president of Iowa Mutual at the Minneapolis office for the past five years. He began his insurance career with Employers Mutual in 1937 and joined Iowa Mutual in 1945.

General of Seattle Plans N.J. Construction

General of Seattle group will erect a 25,000 square foot office building in River Edge, N.J., ready for occupancy next spring. It will house the eastern headquarters of the group on a 7½ acre plot.

Royal Exchange Names Kull, Ritchie to Field

Royal Exchange has appointed L. Bruce Kull and William D. Ritchie special agents in New York, at Flushing and Syracuse, respectively. Mr. Kull was formerly with the company's underwriting department. Mr. Ritchie was formerly in the claims and underwriting departments.

Wins Wis. Scholarship

Ronald Breitrick of Hortonville, Wis., has been awarded a scholarship for continued study at the University of Wisconsin by Wisconsin Assn. of Insurance Agents.

Mr. Breitrick is a junior in the school of commerce and plans to establish his own insurance agency after graduation. The annual award is the eighth presented by the state association.

Pittsburgh Blue Cross Rates Up 21%

Commissioner Smith of Pennsylvania has approved a 21% increase in rates for Hospital (Blue Cross) Service Association of Pittsburgh, effective Aug. 1. The association sought a 28% increase. The order prohibits any further increase for 15 months.

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NAIC Takes Action on Government Threat

(CONTINUED FROM PAGE 35)

the McCarran act and constitutes an unwarranted assumption of power to regulate the business of insurance. Now, therefore, be it resolved: 1. That a special committee of this association consisting of five members, be appointed by the president, to be known as the committee on preservation of state regulation, and which is hereby authorized to take whatever steps it may find prudent and advisable in urging and facilitating action on the part of the several states in order to make certain that the jurisdictional issues raised by the aforementioned decision or by other similar decisions may receive full and complete review by the court; and to consider these matters generally and return to this association through the executive committee whatever further and other recommendations it may deem desirable. 2. That this association hereby recommends that its individual members, acquaint their respective attorneys general with the background and grave significance of the issues involved, and urge such attorneys general to take all the necessary steps to the end that state regulation in the business of insurance may be preserved, in which effort they shall have the assistance of the proposed committee."

It is not known what effect establishment of this new sub-committee will have on the present federal liaison committee and federal liaison coordinating committee. Frank Sullivan of Kansas, at a joint meeting of the liaison committees, raised the question of what NAIC was doing with two committees on the same subject, and after an explanation from Joseph Navarre of Michigan remained unconvinced that there was need for two special committees to handle the same problem, especially in view of the fact that the committees were almost non-operative in the first place. McConnell of California said he was definitely not in favor of any more "liaison" with the government, since it had been pretty well demonstrated that liaison with U.S. agencies is an impossibility. Government agencies are the enemy of state regulation, he remarked, and the army nomenclature of liaison is coordination between two friendly parties. The sub-committee report called for the setting up of a sub-committee to study this whole question and recommend the elimination of one of the committees and a revision in the other.

Mr. McConnell's remarks, incidentally, while made at a rather poorly attended committee meeting, were perhaps as good a summation of the feeling of most of the commissioners as anything that was said during the meeting. There are few, if any, com-



In conference at the NAIC meeting last week at St. Louis: Commissioner August Pryatel of Ohio and James M. Cahill of National Bureau of Casualty Underwriters. Photographed by Harry Fuller, midwest manager of the bureau.

missioners left who feel there is any percentage in dealing on a cooperative basis with the federal agencies. They are of the opinion that it has been well established that these agencies are individually and collectively looking for more authority at the expense of state jurisdiction, so there can be no meeting ground between NAIC and FTC or any similar body.

At the final executive session Commissioners Pansing, Gillooly and Bisson of Rhode Island were named members of the executive committee at large. Messrs. Pansing and Gillooly were the unsuccessful candidates for chairman of the executive committee, and Mr. Bisson had his name in and out of the race. The other members of the executive committee are: From Zone 1, Holz of New York; Zone 2, Pryatel of Ohio; Zone 3, Northington of Tennessee; Zone 4, Sheehan of Minnesota; Zone 5, Combs of Arkansas, and Zone 6, McConnell of California.

Chairmen of the NAIC zones, some of whom were elected at St. Louis are: 1, Humphrey of Massachusetts; 2, Bowles of Virginia; 3, Cravey of Georgia; 4, Jensen of North Dakota; 5, Taft of Wyoming, and 6, Sullivan of Washington.

Garnett Chairman, Herrmann President of Motor Vehicle Cas.

Cyrus L. Garnett has been elected to the newly created position of chairman of Motor Vehicle Casualty and Farmers Equitable of Elmhurst, Ill. He has been president of both companies since their organization. Cedric C. Herrmann, vice-president and secretary, was elevated to president, and Elden W. Link, assistant secretary and superintendent of agencies, becomes secretary and vice-president. Blanche Sramek remains as treasurer.

Mr. Garnett organized Motor Vehicle Casualty as Motor Vehicle Underwriters in 1914. The company was incorporated in 1930 and moved to Elmhurst from Chicago about four years ago. Farmers Equitable, which specializes in automobile insurance, was organized in 1955.

Messrs. Herrmann and Link have been with Motor Vehicle 25 and 30 years respectively and Blanche Sramek has been with the company for 35 years. All of the officers hold identical positions with both Motor Vehicle and Farmers Equitable.

San Jose Agency Marks 80 Years With Phoenix

The James A. Clayton & Co. agency of San Jose, Cal., was honored by Phoenix of Hartford recently for its 80th year of continuous representation of the company. The agency is among the first 15 in the nation in continuous years of association, and is the first on the Pacific Coast.

Attending an anniversary luncheon from the agency were J. B. Clayton Sr., president; J. B. Clayton Jr., vice-president; William J. Miley, insurance manager; Charles A. Buron Sr., and Mayo W. Rucker. The Pacific department of Phoenix was represented by E. F. Wagner, secretary; W. H. Lazzaretto, assistant manager, and Charles C. Luce, assistant manager. State Agent John Frost of San Jose, and Richard D. Molise, special agent, also attended.

Florida 1752 Club Elects Coats President

William Coats of Utica Mutual was elected president of Florida 1752 Club at the annual meeting in Palm Beach Shores.

Other officers are Fred Bosworth of Lumber Mutual, vice-president, and R. M. Guthrie of State Automobile Mutual, secretary-treasurer.

Surety Assn. of Minn. Elects J. P. Rosengren

John P. Rosengren, Glens Falls, was elected president of Surety Assn. of Minnesota at the annual meeting in Minneapolis. Frank Miller, Royal-Liverpool group, was named vice-president; William Stack, Fidelity & Casualty, secretary, and John D. Ferguson, New Amsterdam Casualty, treasurer.

Marsh & McLennan Opens Office in Venezuela

Marsh & McLennan has opened an office at Caracas, Venezuela, with Jose Herrera de la Sota as vice-president and managing director. Carlos M. Barreto, vice-president and general manager, will be associated with Senor de la Sota.

Hurst Honored by Home

Charles M. Hurst, local agent at Gilman City, Mo., was honored recently for having completed 50 years as an agent of Home of New York.

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Top: John A. Henry of Continental Casualty with Eugene M. Thore, general counsel of Life Insurance Assn. of America, at the NAIC meeting.

Bottom: Robert A. Crichton, Washington representative of American Life Convention, with Warren Gaffney, former New Jersey commissioner and now general manager of Surety Assn. of America. Photograph by Harry Fuller, midwest manager of National Bureau.

Midwest Statistical Service Elects Rhein President

Midwest Independent Statistical Service at its annual meeting in Chicago elected H. H. Rhein of Automobile Club of St. Louis as president. He succeeds M. W. Powers, Great Central of Peoria, who has been acting president.

The vice-presidents of MISS are H. C. Ewert, Badger State Casualty; S. H. Glessner, Buckeye Union Casualty; Bruce Laing, Wolverine Mutual, and M. D. Ebner, Dubuque F&M. W. P. Cooling, Indiana, is secretary, and A. F. Koring, Suburban Casualty, is treasurer.

The program included reports of the officers and talks by D. A. Tapley of State Farm Mutual Auto on "An Historical Look at Automobile Bodily Injury Loss;" Russell H. Matthias, Meyers & Matthias, on "Legislative Prognostications;" H. F. Perlet, general manager of Inter-Bureau Insurance Advisory Group, on "Package Policies and Their Statistics;" and S. Alexander Bell, manager of MISS, on "A Critical Look at Automobile Insurance Rating and Statistics."

There was a panel discussion on company statistical problems with Mr. Bell presiding, and the meeting was concluded with a cocktail party and buffet dinner.

Mr. Bell in his report said that members and subscribers in MISS total 202, comprised of 166 members and 36 subscribers. This compares with 181 at the end of last year.

Gaffney Reviews Va. Rate Case at Chicago Surety Assn. Meeting

The major issues in the Virginia corporation commission case, which challenges the whole surety rate manual, were outlined by Warren N. Gaffney, general manager of Surety Assn. of America, at a special meeting of Surety Underwriters Assn. of Chicago.

"The two underlying issues of the case," he said, "are how far back should experience be considered in making rates and whether the surety industry must adopt a precise formula treatment of its merchandise." He maintained that the surety industry is not an operation based on statistics and offers no possibility for strict formula treatment. The association has prepared a cost study of experience by lines for the period 1926-1954, which will show a higher loss ratio and will

be used to justify current rates in the Virginia case.

"The downward revision of construction contract bond rates in July, 1955," he said, "was made not only on grounds of competition, which played some part in the revision, but also because it was known that some supervisors planned to make the downward revision themselves and the association thought it would be more adequately handled by those more familiar with surety rate making. The association knew that a downward revision was inevitable and near, so also thought it prudent to make the revision in time to gain a statistical advantage in projected rates in the Virginia case."

Mr. Gaffney referred to the 50% performance bond on the \$92 million Priest Rapids dam in Washington as the largest ever written. It will be executed by approximately 30 sureties with Fidelity & Deposit as originating company. The bond raised the question of the surety industry's capacity, he said, and pointed out its growth. He said the first qualifying list issued by the Treasury Department in 1908 included 24 companies with a qualifying power of \$2,359,427. The most recent list, he said, includes 149 companies with a qualifying power of \$350 million.

Other officers of the National association at the meeting were Elmer C. Anderson and P. T. Morehouse, assistant secretaries, and N. M. Franklin, actuary.

Upper Peninsula Agents Meet at Iron Mountain

Upper Peninsula Assn. of Insurance Agents is holding its annual meeting this week at the Dickinson hotel, Iron Mountain, Mich.

Two panel sessions highlight the business sessions. One on package policies is being moderated by Robert Mielke of Phoenix of London and Thomas Irvine of National of Hartford group. The other on agents' problems is being handled by David R. Bath of Iron Mountain, association president.

Other speakers include Phillip R. Mongeau of Michigan state driver and vehicle services division; W. O. Hildebrand, secretary-manager of Michigan association; Gerry Fauth, president of Michigan association, and Darlyle Watters, agency licensing director of the Michigan department.

Pacific Employers Has Gains in First Quarter

LOS ANGELES—Pacific Employers group—Pacific Employers, Allied Compensation and Meritplan—gained both in premium volume and surplus during the first quarter of 1956, according to the report of President Victor Montgomery. Net premiums written during the quarter totaled \$7,120,051, compared to \$6,051,405 during the first quarter of 1955. Net operating earnings, after taxes and deduction of minority interests, amounted to \$259,504 or approximately 65 cents per share.

Fond du Lac Board Elects

C. H. Tinkham of Ripon, Wis., was elected president of the Fond du Lac County Board of Insurance Underwriters at the annual meeting at Fond du Lac. Other officers are A. A. Schmitz of St. Cloud, vice-president, and A. F. Baus of Marytown, secretary-treasurer.

James E. Benton, former Vermont manager of National Grange, has opened his own agency in Rutland.

Hartford A&I Goes to Participating WC in Cal.

Hartford Accident has gone into the participating workmen's compensation field in California and has furnished its agents and brokers with its procedure and has estimated schedule and dividends to be paid under the plan. Participating policies will be issued to eligible risks having deposit premiums of \$250 or more. It is the latest eastern company to enter the field.

Bissett to American Surety for Fire

American Surety has appointed William F. Bissett assistant manager of the fire department.

He was with American Home group as a field man before joining Boston group in 1949 as manager at Baltimore. Later he became regional manager in the company's agency and production department with supervision of the middle Atlantic states.



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Photographed by Harry Fuller of the National Bureau at the NAIC meeting at St. Louis: Commissioner F. Britton McConnell of California with Robert E. Battles, Los Angeles, a member of the executive committee of the National Assn. of Insurance Agents.

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Rates—\$20 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

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Here is your opportunity to represent a rapidly expanding, multiple line, A-plus stock company that offers in its policies the most appealing product for less money on the market today. If your qualifications are greater than your present job demands and you are willing to work hard and make the most of your abilities, then we are ready to arrange for an interview for our opening in Minnesota. Unique employee benefits but more important, definite opportunity for advancement and security. All replies confidential. Give full particulars. Box M-82, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

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Western department of a stock casualty company located in Skokie, Ill., has opportunity for experienced male or female automobile underwriters. Salary will vary with experience and ability. Company benefits include life insurance, medical expense, pension plans, etc. Phone Mr. Connelly at IRving 8-7170 or ORchard 4-8400 for appointment.

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A progressive multiple line group requires the addition of a fieldman in Northern and Central Ohio traveling out of Columbus. Age 28 to 38. Prefer predominantly fire background. Experience in Ohio field would be helpful but is not essential. Splendid opportunity for advancement in growing field office. Please give full details as to age, experience, family and military status. Reply Box M-92, c/o The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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Desired by the U. S. Fidelity and Guaranty Company. Substantial experience and superior ability in this field are the prime requisites. The man we are seeking is presently performing in the same level capacity in a like operation, or is a top-notch number 2 man seeking advancement. Sizeable claim volume. Territory is the Chicago metropolitan area. Age 31 to 45. See or contact . . . MR. WHITE or our Personnel Department.

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Experienced all lines. Claim investigation—adjustment—legal fillings and pleadings connected therewith. 45 years old—health excellent. Seeking management of claim office or department in Indianapolis. One man or employing investigators. References. Write Box M-79, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

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Sixteen years experience, auto finance-insurance, age 47, former Home Office Supervisor. Strong mechanical and administrative background. Have traveled all of U. S. Renting New York area, willing to relocate. Salary open. Personal interview requested. Write Box M-80, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

Experts Discuss Atomic Age Insurance

(CONTINUED FROM PAGE 3)

the hazard of loss. Despite the fact that we have found isotopes used in a large number of risks insured by the Factory Mutuals," he said, "we have not made any change in rates or forms of coverage because of the slight increase in hazard which they may represent."

He said ordinary risks face the possibility of loss of earnings while a plant is shut down for decontamination following radioactive contamination from an incident or accident from some other plant or installation. "Industry will probably not be able to collect for damages under existing insurance contracts," he said. "If an insured peril such as fire, windstorm or explosion is involved in the release of the fission products, it might be contended that under the proximate cause rule, recovery is possible. The position of insurers in defending against such claims will undoubtedly be based on the rule of reasonable probability set out by Judge Cardozo in *Bird vs. St. Paul F.&M.* To remove the uncertainty, Mr. Kelly said, consideration has been given to the adoption of an exclusion which would deny recovery under the present fire and property damage policies for loss due to radioactive contamination. This would mean that the ordinary risk would have to seek recovery from the operator of the reactor or other facilities from which the radioactive damage originated.

Mr. Crawford, in his talk "The Casualty Underwriter Faces the Atomic Age," called the problem facing the underwriter "the most elusive and mysterious, gigantic and complicated problem ever to confront our business." He reviewed briefly the formation of the stock and mutual atomic energy pools and said, "Some surprise has been raised over the omission of the workmen's compensation risk from the

scope of the casualty syndicate. This was deliberate," he said, "since it is generally believed that the problem can be handled independently and within established arrangements for spreading loss by way of reinsurance."

Like Mr. Satterfield, Mr. Crawford praised the exceptional safety record of reactor installations, but said the industry isn't satisfied with the \$50 to \$65 million capacity provided by the insurance business. He favors a system where "government participation should seek only to supplement the capacity of private enterprise." He agreed with Senator Anderson, chairman of the joint congressional committee on atomic energy, that government indemnification should become operative only over and above the amount of available insurance. "No form of government competition within the area of the capacity of private enterprise should be tolerated," stated Mr. Crawford.

Mr. Rice was called on to summarize the talks of each of the men who preceded him and then acted as moderator of a panel which answered questions from the floor. One of the most challenging questions brought up was the need for some kind of insurance for those who suffer contamination losses. Mr. Crawford said it was his "guess" that the reactor operator would be absolutely liable. But Mr. Rice suggested that extended coverage be extended to cover one more peril, contamination. He thinks it would be sold widely. This contrasted with Mr. Kelly's earlier suggestion that the policy specifically exclude nuclear losses. He said that these losses will largely be a clean-up job, and he can anticipate his companies being faced with maybe 1,000 such losses at one time.



Participants in the atomic risks forum at Indianapolis sponsored by Indiana CPCU chapter are (left to right): Ambrose B. Kelly, general counsel of Associated Factory Mutuals; Reuel Stratton, assistant superintendent Travelers; Claude Rice, insurance manager of Babcock & Wilcox Co.; John Phelan, vice-president of American States and co-chairman of the forum; James M. Crawford, vice-president and senior underwriter, Indemnity of North America; William Satterfield, insurance manager of the atomic energy commission.

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DEATHS

(CONTINUED FROM PAGE 19)

and sales development manager at the home office in 1946. He was elected assistant vice-president in 1947 and became resident vice-president at Chicago in 1948. He transferred to the home office in 1951 as vice-president and field sales director and became senior vice-president in charge of operations last year.

T. JOSEPH TAYLOR, 52, supervising adjuster of Great American, died at Lenox Hill hospital, New York, of a heart attack. From the start of his career he was identified with inland marine underwriting and loss work, first with H. McGee & Co., later with Marine Office of America. After war service he resumed his loss adjustment career with Great American. He was secretary of Inland Marine Claims Assn. and a member of the Recovery Men's Forum.

WENDELL WINDMEIER, 28, who was with the Van Dyke & Co., agency of Marshall, Mo., died there after an illness of several months.

CARLETON K. VANDEMARK, 58, owner of a brokerage at 155 John street, New York, died suddenly in Caledonian hospital. He resided in Brooklyn.

KARL L. CRITTENDEN, 62, vice-chairman of the board of Hawkeye Security, died at his home in Des Moines, Ia. Mr. Crittenden had been associated with the company since 1935. He was also vice-president of Industrial and treasurer of United Security.

GEORGE O. REYNOLDS, JR., 71, retired head of the automobile adjusting department of Crum & Forster, died suddenly at his summer home in Oxford, Conn. He had been with the company for more than 35 years.

A. D. JONES, 65, vice-president and general manager of the southern district of United Adjustment & Inspection of Kansas City, died. He had maintained headquarters at Dallas. His duties with United Adjustment for the present will be assumed by other officers.

EDWARD R. NALER, owner of the Naler agency at McGregor, Tex., died there.

HARRY E. DUPEE JR., 59, inspector with New England Fire Insurance Rating Assn. 35 years, died after a long illness. He resided in Sharon, Mass.

CLYDE R. LISTER, 38, a local agent at Houston, Tex., died there.

GEORGE L. BORTZ, 56, resident vice-president of Fidelity & Deposit at Detroit, died there suddenly. He joined the company in 1925 at Detroit, became assistant manager in 1944. He was past president of Michigan Surety Assn. and was recently elected vice-president of Casualty & Surety Executives Assn. of Michigan.

JAMES H. McPHERSON, local agent at Blue Springs, Neb., for many years before retiring last February, died at his home there.

MRS. JULIA M. SCULLY, 68, a partner in the Scully-Monroe agency of Howell, Mich., died at McPherson Memorial hospital following a long illness. Mrs. Scully had taken over the

business of her husband, Thomas J., after his death several years ago. The other partner in the agency is Charles B. Monroe.

EUGENE L. BREEN, 64, manager of the fire and casualty special services department of Aetna Life group at New York, died in New York university hospital after a long illness. He joined the company in 1917 and, after field experience, organized the fire brokerage service department and became its manager.

GLENN L. CORRIE, 70, of the Motze & Curtis agency of Abilene, Tex., died there.

EDWARD L. DONOVAN, 47, local agent of Salem and Peabody, Mass., died at his home in Peabody.

HARLIE SPENCER, owner of the Harlie Spencer agency at Rockville, Ind., died there of a heart attack.

WILLIAM C. BUTLER, 56, Canadian manager of Pearl, died suddenly in Toronto. He was president of All Canada Insurance Federation and was

a director of Underwriters Laboratories of Canada. He was a past president of Insurance Institute of Ontario and of Canadian Underwriters Assn.

Mutual Agents to Stress Sales at Midyear Meeting

Emphasis will be on salesmanship and knowledge of the business at the 11th midyear meeting of National Assn. of Mutual Insurance Agents June 11-13 at Hotel Claridge, Atlantic City, N. J.

Features of the session will be panel talks on a theme of success through knowledge, enthusiasm and public relations, and there will be several sales demonstrations. In addition three special meetings will be held: company-agent relations committee on June 9; directors June 10, and the general agents association on June 11. Entertainment will include a golf tournament June 12 and a tour of the home office of Pennsylvania Lumber-

mens Mutual and a banquet June 13.

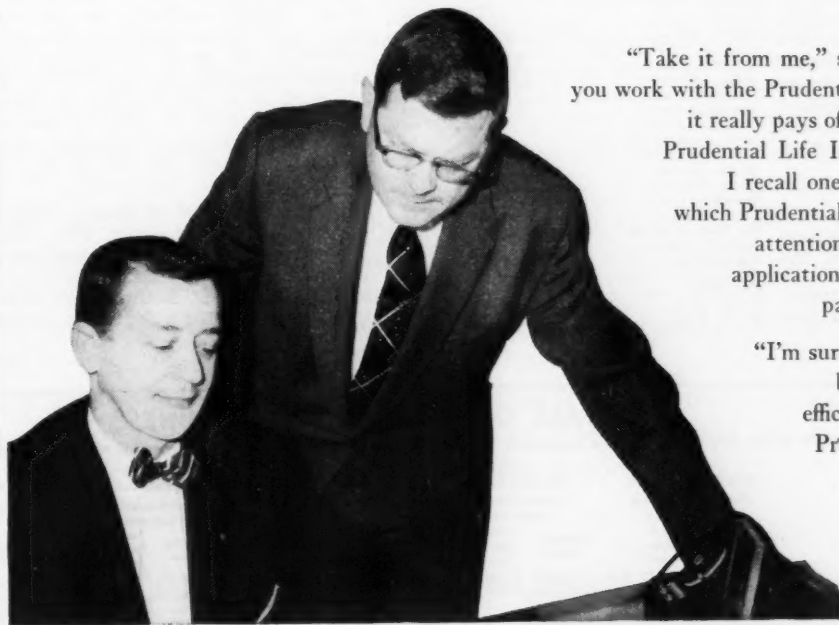
The meeting will open with a welcome by Nat Ontell of Paterson, president of the New Jersey Association.

A film, *Presenting Your Sales Case Convincingly*, will be shown by Mill Owners Mutual to start June 12. Speakers on the panel which follows will be Dr. Leonard W. Parkhurst of Pennsylvania hospital, Philadelphia; Howard W. Legg, agency supervisor of Harford Mutual; Mrs. Helen Remler, local agent of Meadville, Pa.; Robert R. Gruver, public relations counsel of Gray & Rodgers advertising agency of Philadelphia, and Roy R. Allsopp of Waynesboro, Pa.

Giving the sales demonstrations June 13, will be J. F. Montgomery of Jackson, Miss., past president of the association, and Frank Wood of Cleveland, Miss., on selling mutual cover; Ralph B. Williams of Kansas City, vice-president of the national association, and William Frick of Kansas City, cold canvass; Henry D. Bean of Haddonfield, N. J., mercantile block; Anthony Nolan of East Paterson, N. J., homeowners; and Harrison Todd of Camden, N. J., special sales tips.

"Pru's personal service pays off"

says John R. Boardman (seated) of William F. Wiltberger Company, DeKalb, Illinois — shown here with Prudential Brokerage Manager, Mr. E. O. "Pat" Patmore, of the Northern Illinois Agency of Rockford.



"Take it from me," says Mr. Boardman, "when you work with the Prudential man in your community it really pays off. I know — I've been selling Prudential Life Insurance for 10 years now.

I recall one case where the fast service which Prudential gave in the way of personal attention resulted in our securing five applications. And we collected a single payment premium on all five.

"I'm sure we wouldn't have had this business if it weren't for the efficient help we always get from Prudential's Brokerage Service.

"Incidentally, even with all this help, we still get the full commission."

TO: BROKERAGE SERVICE • THE PRUDENTIAL, NEWARK 1, N. J.

NU 45

I want to know more about Prudential's BROKERAGE SERVICE and how it will make LIFE sales easier for me.

NAME _____

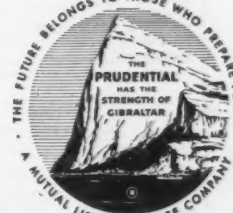
ADDRESS _____

PHONE _____

THE PRUDENTIAL

INSURANCE COMPANY OF AMERICA

LIFE INSURANCE • ANNUITIES • SICKNESS & ACCIDENT PROTECTION • GROUP INSURANCE • GROUP PENSIONS



Argus Chart Analyzes 1955 Casualty Results

(CONTINUED FROM PAGE 1)

the former reaching 35.7 on \$134,141,000 premiums earned and compensation reaching 65.9 on \$612,111,000 premiums earned.

The results tabulated for the 45 mutual companies with \$5 million or more in net casualty premiums each were practically the same as the stock companies with some slight variations from item to item. These companies have assets of \$2,509,072,324 and surplus of \$649,516,987. The net premiums written for 1955 were \$1,536,509,027, up \$49,938,704 from 1954. The net gain from underwriting dropped from \$210,117,011 to \$161,271,202 in 1955.

The new *Argus Casualty-Surety Chart* continues to present the statistics of individual companies in a clear and concise form with the major annual statement items shown for each of five years and five year totals of the "operating report" items. Special tables also show the territories where the companies operate; a list of company changes since 1949; the classification of the total premiums written by groups according to lines written, shown as percentages of the total for each of 120 groups; a comprehensive underwriting and investment exhibit; and the latest obtainable statistics on each of the various state workmen's compensation funds.

The *Argus Casualty-Surety Chart*, like its companion in multiple line underwriting, the *Argus Fire Chart* and the new *Argus Accident & Sickness Chart* to be published in a few weeks, sells singly for \$2.50 per copy and less in quantities. It is now being delivered from the reference book department of the National Underwriter Company, 420 East Fourth Street, Cincinnati, and may also be obtained from any of its branch offices.

Winners of L. A. Golf Outing

More than 200 members and guests attended the golf tournament of Insurance Assn. of Los Angeles.

Robert S. Chapman was the initial winner of the Marshall Rankin memorial trophy, donated by directors of the association in memory of Marshall Rankin, long-time supporter of the association.

J. S. Loveys, with 74, won the William May Garland perpetual trophy for low gross, and C. Otis Flint of Employers group, was the winner of a special flight for players with an established handicap with Southern California Golf Assn.

N. C. Scholarship

North Carolina Assn. of Insurance Agents has established a \$500 scholarship at University of North Carolina with the first award to be given the fall of 1956 in honor of Sherman G. Otstot, executive secretary of the association for 20 years, who recently was named executive vice-president.

Managing GAs Name Brundick President

(CONTINUED FROM PAGE 2)

Agents Place in the Picture." He reviewed the flexibility of marine insurance and urged general agents to take advantage of its many opportunities.

T. R. Mansfield, president of Gulf of Dallas, said he was skeptical of the results which will follow the introduction of the graduated rating plan for dwellings, which will become effective in Texas on Aug. 1. It will be satisfactory, he said, if it produces the same premium volume. He reviewed recent Texas insurance developments, and praised the Texas board of commissioners for its good record. He said the commissioners had greater authority over companies in Texas than in any other state and expressed the fear that some future board may not use as fair methods as the present commission to correct abuses.

C. D. McVay, president of Ohio Farmers, described general agents as the leaders in the distribution of insurance service, but said it is difficult to keep pace with the expanding demands for insurance service. He suggested a conference on common problems between companies, managing general agents and agents.

"The Adjuster as a Producer," was the theme of P. M. Winchester, general manager of General Adjustment Bureau. He said the maintenance of good public relations with buyers of insurance through well-trained, tactful, diplomatic, tolerant and patient adjusters is vital to the company and the agent. He pointed out that agents may build valuable contacts through the years and have those contacts destroyed by the act of an adjuster who fails to recognize the importance of his work as a contact man. "A well-trained adjuster," he said, "is one of the best producers of insurance sales through the good will he creates in handling claims."

Herbert Fullerton of Blane, Fullerton & White, Vancouver, B.C., described the problems of the managing general agent in Canada. He said federal regulation of insurance requires that a company file a deposit to assure

the payment of claims which may arise with the result that there has been only one failure in 30 years that has resulted in loss to a policyholder. He said the government does not interfere with the rates, but described the competition as such that many general agents retire and others find it necessary to combine real estate or other types of business with their general agencies to make an adequate income.

Howell to Address CPCU

Commissioner Howell of New Jersey will outline insurance department problems in an address before the annual meeting of New Jersey chapter of CPCU June 14 at the Essex House, Newark. Officers will be elected and student candidates for CPCU designations will be guests at the session.

Open New Cal. Office

Olympic and Marathon companies of Los Angeles have opened a new office in Long Beach, Cal., under the supervision of Gene Cunningham, special agent. Mr. Cunningham joined Olympic in 1950 in the claim department advancing through several positions until 1954 when he was made special agent.

Wash. Surplus Line Assn. to Meet

The annual meeting of Surplus Line Assn. of Washington has been scheduled for June 26 at Seattle.



Commissioners Joseph A. Humphreys of Massachusetts and J. Edwin Larson of Florida during a committee meeting of NAIC last week at St. Louis, photographed by Harry H. Fuller, midwest manager of the National Bureau.

STOCKS

By H. W. Cornelius Bacon, Whipple & Co.
135 S. La Salle St., Chicago, June 5, 1956

	Bid	Asked
Aetna Casualty	121	125
Aetna Fire	68 1/2	67 1/2
Aetna Life	179	183
Agricultural	35	37
American Equitable	38	40
American Auto	23	25
American (N. J.)	37 1/4	38 1/4
American Motorists	13 1/2	14 1/2
American Surety	18	19
Boston	34	35 1/2
Camden Fire	27	28
Continental Casualty	100	104
Crum & Forster com.	59	62
Federal	35	36 1/2
Fire Association	52 1/2	54
Fireman's Fund	59 1/2	61
Firemen's (N. J.)	37 1/2	38 1/2
General Reinsurance	45 1/2	47
Glens Falls	66	67 1/2
Globe & Republic	22	23
Great American Fire	37 1/4	38 1/4
Hartford Fire	148	152
Hanover Fire	42	43 1/2
Home (N. Y.)	44 1/2	45 1/2
Ins. Co. of No. America	88 1/2	90
Maryland Casualty	34	35
Mass. Bonding	38	40
National Casualty	53	57
National Fire	119	123
National Union	40 1/4	42 1/4
New Amsterdam Cas.	46 1/4	48
New Hampshire	42	44
North River	35	37
Ohio Casualty	95	100
Phoenix Conn.	72 1/2	74 1/2
Prov. Wash.	24	25
St. Paul F. & M.	55	57
Security, Conn.	42	45
Springfield F. & M.	51 1/2	53
Standard Accident	46	47 1/2
Travelers	72 1/2	75
U.S. & G.	58	60
U. S. Fire	24	25 1/2

TOTALS OF 1955 AND 1954 BUSINESS

Classification of CASUALTY business only, of all companies appearing in the Argus Casualty Chart that had casualty net premiums written of \$5,000,000 or more, including fire companies.

CLASSIFICATION	1955			1954			1955			1954			1955			1954		
	130 Stock Companies			134 Stock Companies			45 Mutual Companies			47 Mutual Companies			13 Reinsurance & Lloyds			14 Reinsurance & Lloyds		
	Figures in thousands (000 omitted)			Figures in thousands (000 omitted)			Figures in thousands (000 omitted)			Figures in thousands (000 omitted)			Figures in thousands (000 omitted)			Figures in thousands (000 omitted)		
	Premiums Earned	Losses & Loss Exp. Incurred	%	Premiums Earned	Losses & Loss Exp. Incurred	%	Premiums Earned	Losses & Loss Exp. Incurred	%	Premiums Earned	Losses & Loss Exp. Incurred	%	Premiums Earned	Losses & Loss Exp. Incurred	%	Premiums Earned	Losses & Loss Exp. Incurred	%
Auto Physical Damage	456,250	296,513	58.4	442,442	303,884	68.3	367,549	141,038	52.7	271,102	134,517	49.6	103,451	51,797	50.1	103,172	48,134	46.7
Auto Liability (B. I.)	1,040,118	730,372	70.2	997,991	639,068	64.0	400,525	297,357	74.2	383,665	263,014	68.6	78,825	50,286	63.8	76,590	49,388	64.5
Auto Liability (P. D.)	225,391	288,005	54.8	513,080	276,981	54.0	202,711	129,474	63.9	197,913	119,797	60.5	50,616	27,613	54.6	50,212	28,655	57.1
Other Auto	704			1,779	1,033	58.2	2,255	1,034	31.8	55	10	18.8	205	2	1.0	194	82	42.1
TOTAL AUTOMOBILE	2,022,663	1,285,090	63.5	1,935,302	1,120,968	57.9	874,040	568,903	65.1	852,735	517,338	60.7	233,097	129,698	55.6	230,168	126,259	54.9
Individual Accident & Health	122,635	61,450	49.3	126,511	55,629	44.0	10,573	5,917	56.0	9,940	5,608	56.4	1,062	561	52.8	913	363	39.7
Group Accident & Health	284,326	233,790	82.2	242,604	192,007	79.1	65,595	55,729	85.0	55,344	43,917	79.4	453	74	16.3	7	5	53.3
Boiler & Machinery	43,632	10,108	23.2	40,357	10,450	11.9	16,118	3,880	24.1	16,296	3,261	20.0	89	138	155.1			
Burglary	90,120	37,291	41.4	88,030	41,313	46.9	5,942	2,757	46.4	5,618	2,781	49.5	543	679	125.0			
Fire	3,252	744	22.9	3,371	1,224	36.3	89			59	30	50.9						
Fidelity	69,102	27,318	39.5	65,652	30,166	45.9	3,966	1,876	47.3	3,442	2,586	75.1	707	499	70.6			
Glass	29,701	13,562	45.7	30,169	13,734	45.5	3,247	1,560	48.0	3,199	1,527	47.7						
Liability not Auto (B. I.)	536,614	158,727	55.7	332,248	188,594	56.6	89,951	54,835	61.0	81,882	52,726	64.4	6,347	3,008	47.4	2,770	1,031	43.5
Liability not Auto (P. D.)	81,366	42,555	52.3	76,069	35,619	46.8	16,674	9,143	54.8	18,005	10,584	58.8	1,040	315	30.3	767	270	35.2
Livestock	4			5			4	1	12.5	15	6	39.3	1,600	512	49.7	574	237	44.8
Surety	134,141	47,854	35.7	126,966	34,576	27.2	787	295	37.5	746	438	58.6	31	41	131.3	17	18	5.5
Workmen's Compensation	612,111	403,262	65.9	594,840	389,732	64.0	339,297	229,740	65.1	343,662	215,254	62.6	30,074	15,946	53.0	29,042	18,966	64.3
Miscellaneous	20,173	10,102	50.1	768	212	27.6	1,862	1,350	72.5	238	158	66.3	73	5	6.8			
GRAND TOTAL	3,879,840	2,371,850	61.1	3,662,892	2,105,254	57.5	1,428,149	926,983	64.9	1,391,182	856,234	61.5	274,606	151,476	55.2	263,964	146,883	55.6

FINANCIAL REPORT *

CLASSIFICATION	Number of Co's.	Year	ASSETS		LIABILITIES		SURPLUS TO POLICYHOLDERS		NET PREMIUMS WRITTEN		PREMIUMS EARNED		LOSSES & EXP. INCURRED		UNDERWRITING EXP. INCURRED		RATIOS TO PREMIUMS		Combined Loss & Exp.	Net Gain from Underwriting	Increase in Surplus
			Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Premiums	Exp.	Premiums	Exp.	Losses	Exp.	Losses	Exp.	Losses	Exp.			
Stock Companies	130	1955	12,827,490,782	8,431,554,494	4,395,936,348	5,067,500,611	4,905,646,039	2,927,104,789	1,808,267,199	59.7	35.7	95.4	170,274,051	539,649,095							
134	1954	11,092,764,484	7,636,454,666	3,456,309,818	4,540,105,470	4,402,822,166	2,534,677,516	1,588,280,572	57.6	35.2	92.8	269,884,078	801,333,659								
Mutual Companies	45	1955	2,509,072,324	1,839,555,337	649,516,987	1,536,509,027	1,506,519,468	972,566,707	372,691,559	64.6	24.3	88.9	161,271,202	79,882,171							
17	1954	2,291,768,130	1,710,387,740	581,180,370	1,486,570,321	1,454,856,911	899,690,256	345,049,644	61.8	23.2	85.0	210,117,011	125,379,983								
Reciprocal & Lloyds	13	1955	465,234,574	257,836,747	147,587,527	284,473,983	279,368,981	170,310,589	75,860,597	61.9	26.7	87.7	32,097,791	12,444,424							
14	1954	367,453,609	215,712,575	77,182,594	156,346,322	156,346,322	71,810,948	24,642,767	60.4	26.7	87.7	14,462,767	5,244,424								
GRAND TOTALS	188	1955	15,741,787,580	10,548,745,518	5,133,041,163	6,588,433,649	6,691,534,488	4,069,972,089	2,256,910,355	80.8	32.2	92.6	564,643,044	1,623,775,690							
195	1954	13,711,988,203	9,562,745,981	4,189,233,222	6,298,027,366	6,124,025,259	3,865,187,911	2,014,376,493	58.5	32.0	90.5	524,460,895	953,861,099								

* TOTAL BUSINESS of the same companies whose casualty premiums and losses are classified above.

TOTALS

selling garden equipment or selling Insurance ...



IT'S WISE TO MERCHANDISE

A good garden equipment dealer supplies both the professional gardener and the weekend hobbyist with any equipment from elaborate machines to a simple hand trowel.

He knows that his success lies in satisfying both the professional and the putterer by giving each exactly what he requires.

Satisfying individual needs is the way to sell insurance, too. That is why the flexible American Businessman's Protection Plan is the best merchandising tool to sell specific prospects in all lines of business. This plan reveals all the prospect's insurable exposures and helps to develop a complete personalized program with broad coverage at a cost consistent with quality.

With **The American Businessman's Protection Plan** you sell complete accounts of insurance rather than individual lines. Put this profitable plan to work for you. Mail the coupon below for your free copy of **The American Businessman's Protection Plan** booklet.

THE American Insurance Company

<p>THE AMERICAN INSURANCE CO.</p> <p>THE AMERICAN INSURANCE GROUP 1846 NEWARK, NEW JERSEY</p> <p>BANKERS INDEMNITY INSURANCE CO.</p>	<p>THE AMERICAN BUSINESSMAN'S PROTECTION PLAN</p>	<p>THE AMERICAN INSURANCE GROUP 15 Washington St., Newark, N. J. Sales and Adv. Dept. E-6</p> <p>Send me a free copy of <i>The American Businessman's Protection Plan Booklet</i> which will help me to increase my earnings.</p> <p>Name _____</p> <p>Company _____</p> <p>Address _____</p> <p>City _____ Zone _____ State _____</p>
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LOYALTY GROUP

FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

DECEMBER 31, 1955

ASSETS		LIABILITIES	
Cash	\$ 5,406,999.79	Reserve for Losses	\$ 18,710,827.16
Mortgage Loans on Real Estate	946,030.04	Reserve for Loss Expenses	1,621,400.00
*Bonds and Stocks	162,401,031.61	Reserve for Unearned Premiums	52,622,853.30
Interest due and accrued	236,182.94	Reserve for Taxes and Expenses	3,290,258.00
Agents and Departmental Balances	3,803,131.44	Funds held under Reinsurance	
Real Estate	3,086,000.00	Treaties	5,845,871.38
Equity in Marine and Foreign Insurance Pools	9,721,363.59	All other Liabilities	1,261,182.13
All other Assets	1,365,827.61	Capital	15,000,000.00
Total admitted Assets	\$186,966,567.02	Net Surplus	83,614,175.00
		Total	\$186,966,567.02

SURPLUS TO POLICYHOLDERS \$103,614,175.00

Securities carried at \$3,808,805.91 in the above statement are deposited as required by law.

GIRARD INSURANCE COMPANY OF PHILADELPHIA, PA.

DECEMBER 31, 1955

ASSETS		LIABILITIES	
Cash	\$ 534,201.96	Reserve for Losses	\$ 1,954,862.54
Mortgage Loans on Real Estate	1,283.32	Reserve for Loss Expenses	169,400.00
*Bonds and Stocks	14,240,435.20	Reserve for Unearned Premiums	5,864,044.20
Interest due and accrued	46,379.76	Reserve for Taxes and Expenses	332,318.00
Agents and Departmental Balances	178,165.49	All other Liabilities	17,574.18
Real Estate	150,000.00	Capital	1,000,000.00
All other Assets	242,765.55	Net Surplus	6,025,032.36
Total admitted assets	\$15,413,231.28	Total	\$15,413,231.28

SURPLUS TO POLICYHOLDERS \$7,025,032.36

Securities carried at \$795,543.41 in the above statement are deposited as required by law.

NATIONAL-BEN FRANKLIN INSURANCE COMPANY OF PITTSBURGH, PA.

DECEMBER 31, 1955

ASSETS		LIABILITIES	
Cash	\$ 851,570.55	Reserve for Losses	\$ 1,954,862.54
*Bonds and Stocks	13,320,277.37	Reserve for Loss Expenses	169,400.00
Interest due and accrued	37,914.18	Reserve for Unearned Premiums	5,497,910.04
Agents and Departmental Balances	1,749,124.28	Reserve for Taxes and Expenses	387,418.00
Real Estate	66,000.00	All other Liabilities	17,574.18
All other Assets	132,584.55	Capital	2,000,000.00
Total admitted Assets	\$16,157,470.93	Net Surplus	6,130,306.17
		Total	\$16,157,470.93

SURPLUS TO POLICYHOLDERS \$8,130,306.17

Securities carried at \$1,956,902.96 in the above statement are deposited as required by law.

MILWAUKEE INSURANCE COMPANY OF MILWAUKEE, WIS.

DECEMBER 31, 1955

ASSETS		LIABILITIES	
Cash	\$ 1,089,155.22	Reserve for Losses	\$ 5,306,055.46
Mortgage Loans on Real Estate	332,501.95	Reserve for Loss Expenses	459,800.00
*Bonds and Stocks	38,550,037.75	Reserve for Unearned Premiums	14,922,898.69
Interest due and accrued	99,954.84	Reserve for Taxes and Expenses	1,252,806.00
Agents and Departmental Balances	2,885,992.37	All other Liabilities	59,161.50
All other Assets	410,264.17	Capital	3,000,000.00
Total admitted Assets	\$43,367,906.30	Net Surplus	18,367,184.65
		Total	\$43,367,906.30

SURPLUS TO POLICYHOLDERS \$21,367,184.65

Securities carried at \$2,955,430.82 in the above statement are deposited as required by law.

ROYAL GENERAL INSURANCE COMPANY OF CANADA

DECEMBER 31, 1955

ASSETS		LIABILITIES	
Cash	\$ 39,031.74	Reserve for Taxes and Expenses	\$ 3,980.86
Bonds and Stocks	404,536.14	Capital	100,000.00
Interest Due and Accrued	2,945.21	Net Surplus	353,917.08
Agents and Departmental Balances	11,384.85		
Total admitted Assets	\$457,897.94	Total	\$457,897.94

SURPLUS TO POLICYHOLDERS \$453,917.08

Securities carried at \$55,720.22 in the above statement are deposited as required by law.

THE METROPOLITAN CASUALTY INSURANCE COMPANY OF NEW YORK

DECEMBER 31, 1955

ASSETS		LIABILITIES	
Cash	\$ 2,050,054.59	Reserve for Losses	\$19,529,061.00
Mortgage Loans on Real Estate	13,788.26	Reserve for Unearned Premiums	13,846,779.68
*Bonds and Stocks	48,966,786.82	Reserve for Loss Expenses	2,247,095.00
Interest due and accrued	167,466.15	Reserve for Taxes and Expenses	1,647,113.89
Agents and Departmental Balances	3,509,949.53	Funds held under Reinsurance	
Equity in Marine and Foreign Insurance Pools	150,789.49	Treaties	197,366.55
All other Assets	231,563.29	All other Liabilities	167,463.00
Total admitted Assets	\$55,090,398.13	Capital	3,000,000.00
		Net Surplus	14,455,519.01
		Total	\$55,090,398.13

SURPLUS TO POLICYHOLDERS \$17,455,519.01

Securities carried at \$4,426,379.84 in the above statement are deposited as required by law.

COMMERCIAL INSURANCE COMPANY OF NEWARK, N. J.

DECEMBER 31, 1955

ASSETS		LIABILITIES	
Cash	\$ 1,902,307.91	Reserve for Losses	\$24,001,921.00
Mortgage Loans on Real Estate	432,972.54	Reserve for Loss Expenses	2,664,267.00
*Bonds and Stocks	58,149,018.36	Reserve for Unearned Premiums	16,372,985.52
Interest due and accrued	175,081.72	Reserve for Taxes and Expenses	1,656,825.00
Agents and Departmental Balances	3,718,871.79	Funds held under reinsurance	
Equity in Marine and Foreign Insurance Pools	156,973.17	Treaties	663,218.89
All other Assets	276,839.35	All other Liabilities	119,854.37
Total admitted Assets	\$64,812,064.84	Capital	3,000,000.00
		Net Surplus	16,332,993.06
		Total	\$64,812,064.84

SURPLUS TO POLICYHOLDERS \$19,332,993.06

Securities carried at \$1,691,171.13 in the above statement are deposited as required by law.

*Valuations on basis prescribed by National Association of Insurance Commissioners

Western Department
120 So. LaSalle St., Chicago 3, Illinois

Southwestern Department
912 Commerce St., Dallas 22, Texas

HOME OFFICE
10 PARK PLACE, NEWARK 1, NEW JERSEY

Foreign Department
102 Maiden Lane, New York 5, New York
206 Sansome St., San Francisco 4, Calif.

Pacific Department
220 Bush St., San Francisco 6, Calif.

Canadian Departments
800 Bay St., Toronto 2, Ontario
535 Homer St., Vancouver 3, B. C.